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Dear John,

Alliance Rail Holdings (Alliance) Section 17 and Section 18 Applications: Great North Western Railway (GNWR).

Thank you for your response dated 14 September to consultation on the Alliance track access applications.

Alliance received a significant number of responses to its recent consultation for WCML access rights, including your own. This letter addresses the specific points you made. We have now written to all consultation respondents in a similar manner.

At the industry stakeholder meeting held in York on 18 August, and in the written responses that followed, a number of people felt it was difficult to understand the reasons for Alliance's applications being split, with one to be made under Section 18 of the Railways Act and one under Section 17. In view of those comments and Alliance's further work with Network Rail we have decided that the formal submission to the ORR will be made as one Section 17 application. This means that there is no longer any interdependence between applications and that issues raised separately during consultation have been consolidated into a single list.

Timetable

I note your comments regarding the need for a detailed timetable. As Alliance has made clear throughout consultation, the timetable developed by us and validated by Network Rail is indicative of the capacity available in the December 2011 timetable. Alliance expects that these paths could be improved upon as a result of further work, and as a result of timetable changes that are anticipated between December 2013 and December 2016. Timetable changes are also expected on the trans-Pennine routes over the same timescale, so Alliance expects it to be possible to link together the 'disparate white space' to provide improved and further commercially viable paths.

Alliance notes that, over the same period, a number of infrastructure enhancement schemes are planned both on and off the WCML. We expect that these will increase the available capacity and facilitate the development of Alliance paths.

The indicative timetable was available prior to the 18 August industry stakeholder meeting in York by way of Network Rail's Train Planning System (TPS). However, following the meeting it was clear that some operators were having problems accessing the system. As a result Network Rail subsequently sent detailed timings to all those consulted.

Network Rail has also made available the report highlighting where it would need to use its flexing rights. In all the agreed paths Network Rail has only flexed trains within these rights.

Contrary to your assertion, Alliance does not expect that its proposals will give rise to a rewrite of local timetables. However, Alliance would look to take advantage of rewrites that occur for other reasons, for example the completion of the Ordsall Chord in Manchester.

West Coast Event Steering Group (WCESG)

With regard to your comments about the WCESG, Alliance has not suggested that the *"primary purpose of the WCESG is to become a test site for Open Access"*. As set out in Part D of the Network Code, the primary purpose of the WCESG is to oversee development and implementation of significant timetable change. However, such change could be triggered by service proposals, such as London Midland's plan to operate additional peak trains from December 2013, as well as by the enhancements from the CP4 investment programme that you refer to.

Alliance will take an active part in the WCESG and is committed to working effectively alongside its industry partners to deliver the WCESG objectives.

You also challenge the assumption that there will be a full scale rewrite of the WCML timetable under the auspices of the WCESG. Alliance expects that, even if it does not take place in December 2013, significant changes will be required by December 2016 at the latest. The ORR clearly expects this as well.

Commercial issues

Alliance notes your comments regarding the 'not primarily abstractive' (NPA) test. Alliance has produced a business case that we believe meets the criteria for making a successful application. This will be supplied to the ORR to help inform their decision on our application. The ORR will consider the application in line with its

directions which are also underpinned by its numerous previous decisions on open access applications.

Crowding

Overcrowding of trains between Milton Keynes and Euston is identified as a gap in the WCML Route Utilisation Strategy (RUS). The RUS recommends that a train of up to 8 vehicles and capable of 125mph is needed to resolve this issue. We note that London Midland does not have rolling stock capable of meeting this gap. Alliance's proposal to operate trains of between 6 and 8 cars appears to provide the best solution. The alternative to Alliance's proposals is London Midland's proposal to operate additional 110 mph trains, which would not make best use of the WCML Fast Lines. In any case, Alliance's proposals make use of on-train capacity that is well used throughout the day, not just to meet commuter peaks, and requires no public funding of additional rolling stock. Alliance also believes that any franchise-led proposals to address this RUS gap would need additional taxpayer funding for operations at a time when the industry is seeking to reduce its costs.

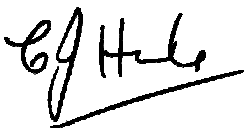
Value for Money

The Alliance proposals are aligned with the need for the industry to achieve better value for money. Clearly there is a need to see change in the industry and reduce costs. The recent ORR consultation document "*The potential for increased on rail competition*" suggests that open access competition can drive costs down and generate more business for the rail industry.

Granting rights

As is mentioned earlier, Alliance is now progressing an application for the full package of GNWR services between London and West Yorkshire, Cumbria and Blackpool. This includes some shorter journeys at the start and end of the day so that the rolling stock is used effectively.

Yours sincerely,



Chris Hanks
Head of Development