

Mr Robert Samson
Passenger Manager
Passenger Focus
7th Floor,
Piccadilly Gate Store Street
Manchester
M1 2WD

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Dear Robert,

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

Thank you for your response to the applications in relation to Alliance's West Coast proposals.

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.

Competition and user benefits

Alliance welcomes the recognition by Passenger Focus that competition brings benefits to passengers. However, the benefits you identify in your letter are not the only ones. In its recent consultation document regarding on-rail competition (*The potential for increased on-rail competition - a consultation document, October 2011*) the Office of Rail Regulation (ORR) points out the significant benefit to passengers of lower fares that are brought about by competition from open access operators. In Passenger Focus's most recent survey only 44% of passengers are satisfied with value for money from their ticket, compared with an overall satisfaction rate of 84%. I am therefore a little surprised that you did not mention this in your response.

In this respect Alliance believes it is addressing one of the key 'existing gaps in user needs' to which you refer.

Alliance is confident that its proposals will not bring any disbenefit to existing passengers, and that the new services will attract passengers new to the rail market.

Flexibility and the WCML Event Steering Group

We note your comments regarding the need for flexibility in track access applications particularly in the light of the establishment of an Event Steering Group for the WCML December 2013 timetable. Alliance has developed its proposed Access Agreement specifying 'quantum only' rights to reflect this need for flexibility. Indeed we are one of the few operators who have sought quantum only rights for additional services.

The role of the Event Steering Group is to direct the project that will implement a significant timetable change. The trains included in that timetable will therefore have to be supported by detailed plans and access rights. They cannot simply be aspirations.

I understand your concern about the potential impact of Alliance proposals on aspirations for other new services. However, many of these aspirations – including that for additional calls at Barlaston - are currently unfunded, and will require significant taxpayer subsidy which is unlikely to be forthcoming in the current financial climate. Alliance's application, on the other hand, brings genuine third party funding rather than a further burden on the taxpayer.

Route Utilisation Strategies (RUSs)

In developing these proposals Alliance has sought to align them with the various RUSs in the areas in which we intend to operate. You give the example of the Northern RUS where gaps have been identified in relation to capacity on board trains the Leeds area. Subject to agreeing the timetable details, Alliance's proposals address this gap by providing a 6 car train on the Huddersfield to Leeds corridor at peak times. All RUS recommendations are operator neutral. As in this example, Alliance may often be better placed than a franchised operator to resolve a RUS gap.

Alliance's proposals should be viewed as part of the industry plan and not something that sits outside it.

WCML Growth

Alliance's proposals do not put WCML growth at risk. How could they when what is proposed is growth itself? The services proposed will contribute to growth and allow greater choice for the passenger in terms of both the operator and the destinations served. You suggest in your letter that we do not plan to serve WCML locations where underlying demand for travel to London is greatest. If this is true it is because, as an open access operator, we must currently pass the 'not primarily abstractive test' set by the ORR.

Rolling Stock

We note that you believe that Alliance will not have any operational rolling stock for the December 2013 timetable. We now accept that a December 2013 start to our services is unlikely. However, an early decision on our rights will allow the introduction of our new stock during the May 2014 timetable. We will spell out the timescales and dependencies in documentation supplied to the ORR.

Standard Pattern Timetable

I note your comments about the desirability for passengers of a standard pattern timetable. Alliance has attempted to provide a standard pattern every two hours. However, as you note in your response, this did not always prove possible in the indicative timetable provided during consultation. Many of the variations in days run and routes were due to the presence of non-standard freight train paths.

Alliance and Network Rail worked closely together to develop this indicative timetable to demonstrate that capacity exists for Alliance services even in the current timetable. We expect that it will be possible to identify further capacity as part of any timetable recast.

I hope this letter satisfactorily addresses your concerns and that you will now be able to give wholehearted support to Alliance's application for track access rights.

Yours sincerely,



Chris Hanks
Head of Development