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Dear

ORR Business Plan 2007 - 08

The coming financial year will be an important one for the rail industry and for ORR. It will be our second year as the safety and economic regulator of Britain's railways and the second year of our three-year corporate strategy. Our business plan builds on the progress we have made in 2006-07 and sets out our priorities for the year and associated activities.

Over the course of the year,

- our periodic review of Network Rail's charges will reach a key stage with governments in London and Edinburgh stating the outputs they require from the industry, the funds they have available and Network Rail responding with the industry plan for 2009-14 period that we shall assess;
- we will continue to press for improvements in safety, performance and efficiency while helping the industry plan for sustainable growth; and
- we will maintain our monitoring and reporting activities taking action as necessary alongside seeking ways to develop and improve the regulatory framework for the future.

To help us put together our plan we completed a survey of our rail industry stakeholders, carried out a consultation on our priorities for the coming year, and sought views on ways in which our regulation of the industry could be more focussed and effective. We are very grateful to all those that helped us by taking

the time to be interviewed for the survey or who submitted responses to our consultation. Respondents to the stakeholder survey asked us to


- ensure that we maintain (and are seen to maintain) a strong and effective challenge of all aspects of Network Rail's performance and efficiency;
- be more visible in the actions we take to help the industry to move forward;
- plan and target our consultations better as part of a more effective dialogue with stakeholders; and
- play a more strategic role in the industry and provide direction where needed.

A summary report of the survey was presented at a workshop to stakeholders on 22 January and a copy can be found on our website under news & publications (<http://www.rail-reg.gov.uk/server/show/nav.1581>).

The results of the consultations and survey are reflected in our business plan and, consistent with our expectations of the industry, we have set ourselves challenging efficiency targets for our work.

We look forward delivering our plan over the course of the coming year and to working with your organisation to move the industry forward (a copy is available for download at http://www.rail-reg.gov.uk/upload/pdf/bus_plan_0708.pdf).

Yours sincerely

A handwritten signature in blue ink that reads "Bill Emery". The signature is written in a cursive, flowing style.

Bill Emery