



31<sup>st</sup> August 2000

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Paul Carey  
Office of the Rail Regulator  
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**Subject      MODEL CLAUSES FOR TRACK ACCESS AGREEMENTS**

Dear Paul,

I am writing to you on the behalf of Virgin Rail Group in response to the consultation regarding Model Clauses for Track Access Agreements. This represents our third formal input into the consultation process.

VRG has been involved in the production of the response that will be sent to you by the Association of Train Operating Companies (ATOC). We fully support this response. Noting this, there are certain points which we wish to emphasis to you. These are outlined below.

Implementation of Model Clauses: We support the approach the Regulator proposes in 7.6 regarding implementation. With specific regard to the current West Coast Trains Limited track access agreement, we will not be seeking to incorporate the new clauses into this agreement. Further to this we would resist any proposal to do so.

Commercial Purpose: It is key that track access agreements which cover major enhancement projects contain commercial purpose clauses that contain obligations on the parties to the agreements. These commercial purpose clauses should be standard clauses put forward by the Regulator in the finalised set of model clauses. As stated before, the commercial purpose contained within the West Coast Trains Limited track access agreement has been extremely beneficial to WCTL. The details of these were included in our letter of 29<sup>th</sup> February 2000.

With regard to the commercial purpose for general application, WCTL has no wish to see this proposal retrofitted into the existing track access agreement.

Access Rights: We note the proposals for access rights. As outlined above we have no proposal to implement these proposals for the WCTL agreement.

We support the proposals in 3.32 that the content of, and process for, establishing the Rules of the Route and the Rules of the Plan should be reviewed. We are happy to participate in an industry workshop to take this issue forward.

Output Statements: WCTL supports the proposals for local output statements, including the key elements of the proposed track access conditions.

However, we do not support the proposal whereby local output statements include operator output commitments. We believe that the local output statement is designed to define what train operating companies receive from Railtrack in exchange for access charges. They are not designed for operators to give commitments to Railtrack on what outputs the train operating companies should deliver, or to give Railtrack the opportunity to propose changes to rolling stock or to the way in which it is operated.

This proposal for inclusion of obligations on operators may be appropriate where a revenue share deal is being put in place or a major enhancement is to be undertaken. In this case we would expect the train operators output obligations to be defined in the commercial purpose clauses.

CrossCountry Train Limited: We have not made any specific comments relating to the track access agreement for CrossCountry, and the impact of model clauses. As you are aware we are currently in discussions with Railtrack on a new supplemental agreement to the existing CrossCountry agreement.

We are happy for this letter to be put on the public registrar and the ORR web site.

Yours sincerely

Simon Bailey  
PUG 2 Contract Manager  
for Virgin Trains