



OFFICE OF RAIL REGULATION

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8 January 2008

Iain Coucher Esq
Chief Executive
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Dear Iain

NETWORK RAIL'S MANAGEMENT OF ENGINEERING PROJECTS

I wrote to Peter Henderson on 19 December 2007 about our investigation into Virgin Trains' complaint about your management of the West Coast Route Modernisation programme.

In view of the events over Christmas at Rugby, Liverpool Street and elsewhere and concerns expressed by your customers and funders, we have extended our investigation. I attach the remit for our investigation and for our consideration of whether you have breached, are breaching, or are likely to breach obligations in your network licence. These include the obligations set down in Condition 7 relating to the planning of the operation, maintenance, renewal and development of the network in accordance with best practice and in a timely, efficient and economical manner so as to satisfy the reasonable requirements of your customers and funders, and the obligations in Condition 9(2).

We will consider the response you are sending to my earlier letter and any representations you or your customers and funders wish to make. We may write to Paul Plummer with some more detailed questions.

We have already asked you separately how you will ensure that, following the December 2008 changes, the West Coast Main Line will be operated and maintained safely and reliably.

I am placing a copy of this letter on our website and am also writing to customers and funders affected by these matters.

Yours sincerely

A handwritten signature in blue ink that reads "Bill Emery". The signature is written in a cursive style with a large initial 'B' and a long, sweeping tail on the 'y'.

Bill Emery

The Office of Rail Regulation's investigation into Network Rail's management of engineering projects, focusing on 2007-08 Christmas / New Year possessions and the robustness of Network Rail's plans to complete the West Coast route modernisation programme

Terms of reference

These are the terms of reference for ORR's investigation into Network Rail's management of engineering projects following the recent problems.

There are two strands to the investigation,

- A** To investigate the circumstances surrounding the late notice planned extension of the Rugby possession, and the major possessions overruns at Rugby and Liverpool Street over Christmas/New Year 2007-08. To investigate any relationship between these events and delivery of planned works elsewhere on the network over this period (for example at Stevenage and Shields Junction). To establish the impact of these events on train operators and their customers (passenger and freight), and the extent to which Network Rail contributed to mitigating these impacts.
- B** To investigate the robustness of Network Rail's plans for the remaining work to enhance the West Coast Main Line to meet its obligations under ACR2003 and to enable the planned December 2008 service upgrade.

Context

ORR needs to establish whether Network Rail has been, is, or is likely to be in breach of its licence in connection with any of these matters. In particular to establish whether there are any systemic failings underlying these events, which might reveal the potential for likely breaches in future.

The investigation and any subsequent action will take into account the previous case of breach at Portsmouth and changes made to Network Rail's project planning and management in the light of this.

Timescales

To establish the facts and obtain written representations from those affected and interested parties before the end of January. To publish findings before the end of February.