



ASSOCIATION *of* TRAIN OPERATING COMPANIES

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31 October 2007

## **PERIODIC REVIEW 2008: NETWORK RAIL'S OUTPUTS**

We welcome the opportunity to comment on the approach that the ORR is taking to setting, monitoring and enforcing Network Rail's outputs for the next control period.

As you are aware ATOC has been working closely with both Network Rail and the ORR on planning delivery of the HLOS through the development of the Strategic Business Plan. The HLOS provides clarity over what the network should deliver and it is important that there are enforceable outputs in place which ensure delivery of the plan. We therefore endorse the overall approach that the ORR is taking.

We particularly welcome the proposals to introduce more disaggregate indicators which will be enforceable by customers as reasonable requirements under licence condition 7. Top level indicators are useful; however there is currently a gap between what is enforceable, and what an individual customer of Network Rail might consider reasonable. The proposed diagnostic indicators should provide the opportunity for corrective action before enforcement becomes necessary.

We believe that it is important that outputs can be traded between Network Rail and train operators as this will allow the industry to deliver them in the most efficient manner. However, it is important that change is managed in a disciplined way and not as an opportunity by Network Rail to defer committed schemes through optioneering.

We believe there should be a regulatory control mechanism to ensure that there is clarity when outputs set out in the Business Plan, rather than the means of delivery, are altered by ORR so that change is managed in a disciplined way, and the consequences are clear to users of the network and funders.

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Our responses to individual consultation questions are attached as an appendix to this letter.

Yours sincerely

Kai Hills  
Policy & Regulation Manager

Para	Question
3.12	<p><b>Safety Data</b></p> <p>Whilst there are clear benefits in TOCs and NR collaborating to improve safety across the network (a number of joint projects are underway) it is not clear to us that it is appropriate for either party to report on the other on matters of health and safety.</p> <p>We believe that it is appropriate for each party to report to the RSSB, and for the RSSB to report back to the industry. We believe that the RSSB is the proper body for collecting, monitoring and sharing good practice in respect of occupational health and safety in the railway industry.</p>
3.26	<p><b>Other Network Capacity Outputs</b></p> <p>We welcome the schemes which have been included; however we are disappointed that the following schemes anticipated in the RUSs were not included:</p> <ul style="list-style-type: none"> <li>• Oxford area remodelling.</li> <li>• Stafford by-pass.</li> </ul> <p>We would like more clarity on the objectives for the Crewe area remodelling.</p> <p>We are concerned that there are emerging capacity issues in South London, particularly at Herne Hill and East Croydon, which need to be planned for.</p>
3.35	<p><b>Network Capability</b></p> <p>We have supported the work done to date to ensure that the capability of the network is known, and that the dimensions included in the current definition are accurately recorded.</p> <p>We endorse the approach proposed to funding network capability.</p> <p>The aggregate tonnage dimension is controversial, particularly for freight and open access operators, and in the detail of its operation. In principle, knowledge of what headroom exists for each section of route, assuming existing maintenance and renewal patterns, would be helpful. However, without clarity about what happens when the headroom is exhausted, its practical value may be limited.</p>

3.41	<p><b>Network Availability</b></p> <p>ATOC believes that Network Rail should be incentivised to improve its management of RoUs (and ultimately to deliver a 7 Day Railway). The development Network Availability Index is a necessary step towards this.</p> <p>We also believe that it is essential that as many of the output targets as possible should be disaggregated so that customers are better able to manage their relationship with Network Rail.</p>
3.63	<p><b>Single Signal Failure Measure</b></p> <p>We don't see a pressing reason for change. The two different standards serve different purposes: failures of 3 minutes will need to continue to be collected for performance purposes; the question is, assuming all data gathered is used to manage the asset's performance, whether failures of less than 10 minutes should count towards regulatory targets.</p>
3.78	<p><b>Multiple Asset Indicators</b></p> <p>We endorse the approach set out. A single asset indicator is meaningless.</p>
3.85 3.89	<p><b>Station Assets</b></p> <p>We believe that the a regulatory target is necessary; however the relationship between the regulatory measure and the contractual arrangements between Network Rail and TOCs, and the additional expenditure promised in the HLOS must be clearly set out.</p> <p>We support your proposals to ensure there is no discrimination between station categories.</p> <p>We support your proposal to continue monitoring station facilities as in CP3.</p>