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### **National Express Section 22a and 17 Applications**

Further to our letter of 26<sup>th</sup> June, we have the following supplemental comments:

1. It appears that the rights are stated to be required to deliver SLC2, but subsequently it is stated that SLC2 is to be developed and is the subject of ongoing discussion. This suggests that National Express are proposing the ability to self-modify and justify new services between themselves and the DfT. If National Express's aspirations are unrealistic, we do not agree that this should have the ability to either take precedence or impact on other operators adversely.

2. Reference is made to the concept of "zero flex". Our assessment suggests that such an arrangement would serve to prevent any additional or adjusted services to ever be conceived. It is claimed flex uses capacity, whereas as we have already pointed out, the absence of flex will serve to lock in inefficiency and exclude other opportunities. Timetables should be driven by human behaviour, resources and commercial needs. They must retain some flexibility for change and adaptation over time. These facets must take precedence over any nicety of rigid mathematical symmetry. The timetable is also constrained by planned movements at remote geographical locations (e.g. Birmingham New St./Manchester/Cambridge/Leeds) and these constraints already exert inefficiencies on the ECML timetable. In the absence of any evidence or analysis demonstrating that a standardised interval timetable for the ECML will deliver material additional and usable capacity, we do not agree that zero flex is either beneficial or desirable.

3. There are repeated statements about negotiation for the greater good - but no suggestion of what the greater good might be, how this might be achieved or how National Express' standard hour proposals might ever be adjusted.

4. We suppose some of the concerns of NXEC are about the timing of Network Rail's enhancement works which are now scheduled for completion in 2012/3. We therefore believe the absolute the earliest any standard hour timetable might be introduced is December 2013. We do not believe this provides any basis for deferring the introduction of any new services which might be possible in the short to medium term however.

As time goes by, we are increasingly of the opinion that there remains a fundamental problem with Network Rail being incentivised to create and sell available capacity through judicious timetabling (as well as through investment) whilst simultaneously maintaining the core requirements (service intervals, journey times, stopping patterns, resource levels etc.). Such incentives, along with the ability to apply flex reasonably so as to accommodate additional traffic are essential ingredients in facilitating future capacity allocation.

Yours sincerely

A handwritten signature in blue ink that reads "Mark Leving".

Mark Leving  
Managing Director