



**Brian Hopkinson
Track Access Executive
Office of Rail Regulation
One Kemble Street
LONDON
WC2B 4AN**

22 May 2008

Dear Brian,

Grand Northern [Bradford – King’s Cross] Track Access Application

Please find comments from Grand Northern in bold within the body text of the letter from Network Rail.

Regards

Ian Yeowart
Managing Director

Letter from Network Rail to ORR:

I refer to your letter of the 28 April requesting Network Rail’s representations on the application made by Grand Northern for a track access contract, made under section 17 of the Railways Act 1993.

Network Rail notes that Grand Northern are seeking rights to operate services between Bradford Interchange and London Kings Cross from December 2008, for a period of around 10 years.

Network Rail can confirm that it has worked closely with Grand Northern on their aspirations for these services as part of the overall 2009 timetable development process, following receipt of the Priority Date Notification Statement from Grand Northern in February 2008. Network Rail can also confirm that the timetable development work is being undertaken in line with Part D of the Network Code. There have not though been any discussions between Grand Northern and Network Rail on the proposed access contract that Grand Northern has submitted.

Network Rail, under the process laid out in Part D of the Network Code, is obliged to make a formal timetable offer to Grand Northern on the 11 July setting out what if any paths have been established. Further the timetable development work for Grand Northern is part of the wider work stream that Network Rail is undertaking, with the involvement of the ORR, for other

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operator's aspirations for December 2008 that will impact on the overall capacity available for new and existing train paths.

Given the current status of the timetable development work Network Rail is not at this point able to provide a view as to whether any paths will be available to Grand Northern and would suggest therefore to the ORR that it is premature at this stage to make any decision on the sale of access rights to Grand Northern. **Grand Northern has submitted its Section 17 application to start the process. Should Network Rail be in a position to offer paths on 11 July then the submission may be amended to become a Section 18 application. The submission has been made now to mitigate possible delays in the process of the type which seriously affected Grand Central, particularly in its options on securing suitable rolling stock.**

Network Rail can though confirm that it will continue to work closely with Grand Northern on the development of their aspirations for the 2009 timetable, in line with part D of the Network Code.

With regard to the detail of the track access contract submitted by Grand Northern, Network Rail has the following generic points, although a further detailed review may be required dependent upon the outcome of the current timetable development work:

1. The term of the track access contract is proposed to be 10 years on the basis of investment being made in rolling stock. Network Rail whilst supportive of investment in the rail industry, believes that careful consideration needs to be given to contracts of such duration so that sufficient flexibility is provided for the rights sold in the event of significant changes to the ECML service pattern.
2. Rolling stock is proposed to be Class 180s, these vehicles are currently not cleared for operation on all of the routes proposed by Grand Northern, requiring Grand Northern to undertake Route Acceptance. Further Network Rail understands that a number of passenger train operators are in discussion with Angel Trains on leasing all or part of the Class 180 fleet and there is no certainty that Grand Northern will be able to procure sufficient stock for their needs. Network Rail's concern is that as the timetable development work is being undertaken on the assumption that a specific type of rolling stock will be available; any change to that rolling stock could invalidate the timetable development work. **The question of route acceptance is being handled via a Vehicle Change application currently with Network Rail. Grand Northern is aware of possible timetable implications, but non availability of stock will have the same effect on any other operators aspirations.**



3. Schedule 5 contains a bespoke relating to the introduction of a standard hour timetable. Network Rail does not believe the provision as drafted is sufficient and would wish to have further discussions with the ORR on this point. Further Network Rail reserves its position on the proposed rights being sought in schedule 5, until such time that these can be reviewed against any developed train paths. **The provision as drafted is exactly the same as contained within the Grand Central Contract agreed previously with ORR.**
4. Schedule 7 Network Rail notes that a provision may need to be incorporated into Part 5 of schedule 7 to recover the costs incurred by Network Rail in opening signal boxes to accommodate the operation of the proposed services. **This can be incorporated should it prove necessary.**
5. Schedule 8 / Schedule 11 contain provisions that would see the parties agreeing the data for Appendix 1 of schedule 8 after a year of operation, with a subsequent settling any schedule 8 payments at that point. Network Rail's preference would be for there to be an agreed set of data in Appendix 1 of schedule 8 at the commencement of the access contract, as under the proposed drafting Network Rail would have to meet the unfunded costs in the first year of operation through paying out to other operators affected by the operation of Grand Northern's services under the 'star model'. Again Network Rail would welcome further discussions with the ORR on this point. **Grand Northern would be content for such discussions to take place in an attempt to find an acceptable solution.**

Performance management of new services onto the ECML is critical to the overall performance of the route. Network Rail suggests that consideration is given by the ORR to inclusion of appropriate mechanisms within the track access contract to manage any adverse performance impact. **Grand Northern is content for this point to be considered.**

Yours sincerely

Peter Robinson