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Brian Hopkinson
Track Access Executive
Office of Rail Regulation
(by e-mail only)

20 June 2008

Dear Brian,

**Grand Northern Railway Company Limited - Proposed Track Access Agreement
(Bradford – London Euston)**

I refer to your e-mail of 22 May 2008, requesting comment on the application made by Grand Northern Railway Company Limited (“Grand Northern”) under Section 17 of the Railways Act 1993. This letter sets out the comments of First/Keolis TransPennine Limited (“TransPennine Express”).

TransPennine Express notes that Grand Northern is a subsidiary or partner company to Grand Central Railway Company Limited (“Grand Central”). Therefore, the performance of Grand Central since it was granted access rights in January 2007 may reasonable be expected to reflect on the proposal of Grand Northern. TransPennine Express, therefore, considers that its comments on the current activity of Grand Central, which appeared in part in its letter to ORR of 24 April 2008 and 22 May 2008, are pertinent to any comments on Grand Northern’s proposed Track Access Agreement.

TransPennine Express does not consider that Grand Northern’s application has been prepared in sufficient detail to allow the availability of capacity to be fully considered. Nor does the application contain sufficient information to allow TransPennine Express to accurately assess the implication of the proposal on its own rights. TransPennine Express requests that Grand Northern supply details of the train slots developed with Network Rail Infrastructure Limited (“Network Rail”) for TransPennine Express scrutiny and comment.

While it does not consider the application contains sufficient information to allow the availability of capacity or its implications to be assessed, TransPennine Express is concerned that the application is inconsistent with efforts to improve services between key centres in the North of England. The government's high level output statement ("HLOS") requires that an additional number of seats be provided to accommodate the significant growth in passenger demand on the routes between Manchester and Leeds. TransPennine Express currently experiences acute crowding on its peak time services between Manchester and Leeds and is; therefore, fully supportive of the HLOS recommendations.

The requirements of the HLOS and increases in demand between Manchester and Leeds are being taken into consideration during the development of a Route Utilisation Strategy ("RUS") for the Yorkshire and Humberside region. Network Rail's Strategic Access Planning Unit ("SAPU") is currently examining the benefits of introducing a fifth train path in each hour between Manchester and Leeds. TransPennine Express considers that a fifth hourly path between Manchester and Leeds, supported by increased train lengths, will represent the most appropriate and economic method of satisfying the passenger demand identified in the white paper.

The development of the Yorkshire and Humberside RUS and SAPU's work, has not taken into account the proposals of Grand Northern, consequently capacity to accommodate the proposed Bradford to London Euston services is not consistent with the outputs towards which the RUS is working.

To the extent that it has been able to assess Grand Northern's proposals, TransPennine Express does not consider it to offer a demonstrable benefit to rail users. TransPennine Express is concerned that Grand Northern are applying for rights to serve a market that is adequately provided for by existing rail services. A comparison of journey times revealed no examples where the proposals of Grand Northern offer a significantly improved end to end journey time to comparable current journeys, even when the time required for a connection is taken into account. This pattern is particularly apparent when comparing the journey times currently offered to passengers travelling between London and Huddersfield, Halifax or Bradford. The possibilities available to passengers travelling from Huddersfield, Stalybridge and Alderley Edge are expected to improve from the Passenger Change Date 2008 as a result of West Coast Trains Limited's very high frequency timetable. Therefore, TransPennine Express does not consider that the proposal of Grand Northern will improve the rail services on offer to passenger in such a way as to promote competition or complement the existing services.

TransPennine Express is also concerned that no evidence has yet been put forward to demonstrate that Grand Central has been able to develop a market for rail travel, in a way that demonstrates its principal income is not based on revenue abstraction. TransPennine Express is particularly concerned that, in Grand Central's case, abstraction adversely affects the income which franchise passenger operators can expect, without offering a demonstrable benefit to rail users as a whole. Grand Central has so far not demonstrated an ability to develop a rail market by offering customers a desirable or reliable alternative to existing service levels. TransPennine Express is, therefore, deeply concerned that Grand Northern's proposal to operate service between Bradford and London Euston, will gain its principal income from revenue abstraction and not prove capable of developing a market for rail travel as its application assumes.

TransPennine Express' services have, since January 2008, been subject to a perceptible increase in reactionary delay resulting from the effect of Grand Central's operation of Trains on the Network. A particular trend has been evident in respect of the reactionary delays attributed to Grand Central's rolling stock. TransPennine Express is particularly concerned at the level of reactionary delay still being attributed to Grand Central's operational failure and that Grand Central has been unable use all of its rights to operate train services. TransPennine Express is further concerned that improvements in performance will continue to be undermined by Grand Central's use of unreliable rolling stock and unreliable rolling stock maintenance activity.

As a result of this record, TransPennine Express is very concerned that Grand Northern will also be unable to maintain rolling stock to a standard capable that is capable of sustaining the continuous improvements in performance, for which TransPennine Express and other industry partners strive.

Grand Central was granted rights in January 2007 which it was unable to use until December of that year. TransPennine Express is concerned that if Grand Northern delayed their start date in a similar manner, capacity would be consumed during 2009 without any benefit been offered to passenger, while limitations where imposed on the ability of other train operators to utilise that capacity. TransPennine Express understands that the principle cause of the delay resulted from rolling stock been unavailable due to mechanical problems or refurbishment. Taking into account Grand Central's record for mobilisation TransPennine Express requests that the following questions are taken into considered in ORR's deliberations:

- (a) Can Grand Northern secure the rolling stock described in its application in time for a start date of Passenger Change Date 2008?
- (b) How will Grand Northern maintain its rolling stock to a standard that will not result in train paths been unused or disproportionate amounts of reactionary delay to other train operator's services?
- (c) How will Grand Northern recruit sufficient staff to operate services in time for Passenger Change Date 2008?
- (d) How will a sufficient number of train paths be made available for train crew training in the run up to the Passenger Change Date 2008?
- (e) What passenger handling procedure will be put in placed?
- (f) What operational support will Grand Central require at Station locations?
- (g) What management structure will Grand Northern put in place to manage these services?

In conclusion, TransPennine Express does not support this proposal as it does not consider it to represent a demonstrable benefit to rails user. TransPennine Express, therefore, requests that in reaching its decision ORR take particular account of the following:

- I. The extent to which conflicts exist between Grand Northern's proposal and additional capacity identified in the development work for the Yorkshire and Humberside RUS to fulfil passenger demand identified by the government's white paper.
- II. The actual benefits that Grand Northern's proposal will have for rail users and the extent that this benefit represents the best use of sparse available capacity?

- III. The extent to which Grand Northern's proposal introduces competition or complements existing service?
- IV. Grand Northern's ability to mobilise in the timescales described in the application.
- V. Grand Northern's ability to sustain a level of performance that contains and limits the quantity of reactionary delay experienced by other operators.
- VI. Grand Northern's ability to deliver on the promises it makes to the industry and the travelling public and contributes in a positive manner to the reputation of the rail industry.

Yours Sincerely,



George Thomas
Access Manager
TransPennine Express