

Brian Hopkinson
Track Access Executive
Office of Rail Regulation
1 Kemble Street

LONDON EC2B 4AN
brian.hopkinson@orr.gsi.gov.uk

Mark Leving
Managing Director
☎: 01904 525221
✉ mark.leving@firstgroup.com

17th April 2008

Grand Central 7th Supplemental Agreement

Thank you for your email of 27th March inviting comments in respect of the additional rights being sought by Grand Central from May 2008.

Our comments are made against the background in which ORR recently sought details of operators' future aspirations over the ECML and to which we responded to David Robertson on 18th March 2008. Hull Trains cannot support the Grand Central proposal for the following reasons.

1. We have referred to your 6th April 2006 decision document on the award of access rights on the ECML. We do not accept or agree with Grand Central that any existing rights or expectation of granting of rights to Grand Central was conferred by or is otherwise to be inferred from the Office of Rail Regulation's previous decisions in respect of Grand Central. This application should be considered afresh in the light of current circumstances and taking into account other operators' aspirations as recently requested and notified to you, including those of Hull Trains.
2. The proposals conflict directly with our own aspirations to establish new services between Harrogate, Knaresborough and London, for which I have attached a confidential copy of our draft external briefing notes, explaining the basis of the proposal. Outline details of these proposals were included in our response to David Robertson of 18th March. We consider our proposals will provide significantly greater benefits and should be preferred in the event that the conflicts we have identified are not resolved. Further details will be provided with our own submission for the access rights required to deliver our proposals which we will be presenting very shortly.

3. We have no visibility that the existing services operated by Grand Central have so far attracted adequate levels of business or achieved organic growth so as to justify any additional services to Sunderland. The application does not provide any supporting information. We do not consider the reference to services being "close to full loading on certain days" as adequate substantiation (for example, how close and how often, and how are loadings related to the availability performance commented on further below).
4. We are very concerned that Grand Central does not possess adequate or suitable resources to fulfil its current timetable commitments and this is creating significant and worsening performance degradation for ourselves and other operators. Although we can only estimate the position, it appears that PPM is in the order of 45% in period 1 to date (10th April), of which over 60% of the primary cause is due to traction and rolling stock problems. Around 25% of the services appear to be cancelled or part-cancelled in the current period by the same cause.

We would require a fuller understanding of how the existing rights will be reliably fulfilled and the additional slots claimed operated from the May 2008 Passenger Change Date as requested.

The consequent and sustained impact on the network of the present Grand Central services is now of sufficient concern to us that we would propose no further rights should be granted to the company until such time as they have demonstrated an ability to consistently deliver, on a sustained basis, levels of fleet reliability (measured by NFRIP Miles Per Casualty) and PPM which are comparable with other long distance operators on the ECML.

It should be remembered rolling stock reliability had a significant part to play in the earlier consideration of Grand Central's application to operate on the ECML and that the company gave assurances at the regulatory hearing on 31st March 2004 that its rolling stock would be reliable and would receive significant overhaul to ensure reliability prior to being used in traffic. It is our understanding that the work undertaken to enable Grand Central's trains to be made operational was primarily of a reinstatement, conversion and cosmetic nature and did not embody any material reliability/performance enhancing content as has been undertaken with HST fleets of other operators.

For these reasons, Hull Trains therefore objects to the proposal.

Yours sincerely



Mark Leving
Managing Director