

Ian Williams
Track Access Manager
Telephone: 020 7282 2092
E-mail: ian.williams@orr.gsi.gov.uk

22 September 2014

Darren Horley
Customer Relationship Executive
Network Rail Infrastructure Limited
11th Floor, The Mailbox
100 Wharfside Street
Birmingham
B1 1RT

Jonathan Dunster
Head of Operations Strategy
West Coast Trains Limited
1st Floor West, Meridian
85 Smallbrook Queensway
Birmingham
B5 4HA

Dear Darren and Jonathan

West Coast Trains Limited: Ninth Supplemental Agreement

1. The Office of Rail Regulation has today approved the ninth supplemental agreement to the track access contract between Network Rail Infrastructure Limited and West Coast Trains Limited (Virgin) submitted under section 22 of the Railways Act 1993 (the Act). This follows an earlier informal submission of a draft agreement for our consideration. The purpose of this letter is to set out the reasons for our decision.

Purpose of the agreement

2. The agreement grants Virgin the access rights necessary to extend two existing return services between London Euston and Birmingham/ Wolverhampton to and from Shrewsbury on Mondays to Saturdays and one on Sundays, and one existing return service between London Euston and Preston, to and from Blackpool on Mondays to Fridays. The rights commence in December 2014 and expire in December 2016.

Industry consultation

3. Network Rail conducted the usual industry consultation and responses were received from three other operators/potential operators. Freightliner advised that it had no comments on the application. Northern Rail supported the application, but requested Network Rail to provide assurances that the Blackpool service would not drive the



engineering strategy or impact on Northern's clockface departure times at key points between Blackpool and Preston. Network Rail provided Northern with the necessary assurances.

4. Alliance Rail Holdings noted its own application for six return services per day between London and Blackpool from December 2016, but welcomed the competition which it believed would help grow the market to the benefit of both operators. Alliance asked Virgin whether the services were commercial or Public Service Obligation (PSO) under EC Regulation 1370/2007. Virgin confirmed that the services were part of the Service Level Commitment in Virgin's Franchise Agreement. Alliance responded that this did not answer its question as to whether the services were commercial or PSO. We have not seen Virgin's response to Alliance, but we do not believe this should hold up our approval of the access rights given that Alliance has not objected to the rights and the status of the services in this respect is not a relevant consideration for us.

ORR's review of the application

5. We rejected an application from Virgin last year for through services between London Euston and Shrewsbury and Blackpool on capacity and performance grounds. However, that application was for completely new services. This application is for extensions to existing services that do not add services to the very busy southern end of the West Coast Main Line, so does not raise the same concerns. We are content that it does not raise such major concerns on the Birmingham/Wolverhampton to Shrewsbury and Preston to Blackpool routes.

6. We provided some comments on the draft version of the supplemental agreement submitted informally for our consideration, which the parties took into account in the version submitted for our approval

ORR's conclusions

7. Network Rail has confirmed that the capacity is available and the likely effect on performance is acceptable. No other operators or potential operators have any objections to the services being introduced. These services will benefit passengers between London and Shrewsbury and Blackpool who will have the option of making these journeys without having to change trains.

8. In carrying out our access approval function under the Act we must do so in a manner which we believe will best achieve our duties under section 4 of the Act. We have concluded that approval of this supplemental agreement is consistent with our duties, in particular our duty to promote the use of the railway network for the carriage of passengers and goods and the development of the railway network, to the greatest extent we consider economically practicable.



Administration

9. Please find enclosed a copy of the approval notice together with a copy of the supplemental agreement. Copies of the approval notice and the supplemental agreement will be sent to Keith Merritt at the Department for Transport and placed on our public register. Copies of this letter and the supplemental agreement will be placed on the ORR website. I am also copying this letter without enclosures to Chris Armitage at Network Rail, Jonathan Cooper at Alliance and Helen Cavanagh at Northern.

Conformed copy of the track access contract

10. Under clause 18.2.4 of the track access contract, Network Rail is required to produce a conformed copy, within 28 days of any amendment being made, and send copies to ORR and the train operator. I look forward to receiving the conformed copy.

Yours sincerely

A handwritten signature in black ink that reads 'Ian Williams'.

Ian Williams