Official International Rail Services Provider to the London 2012 Olympic and Paralympic Games



Stations and Depots Team Office of Rail Regulation One Kemble Street London WC2B 4AN

By email: stations.depots@orr.gsi.gov.uk

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Dear Sir or Madam

## Consultation on a revised contractual regime at stations

Thank you for the opportunity to comment on this consultation.

Eurostar is an open access international passenger service operator operating over four infrastructures in three countries. Within the UK, it operates services on HS1 and has its station access arrangements with that entity. Accordingly, we provide general comments on the current consultation which relates to Network Rail stations only.

These can be summarised as:

In seeking third party investment in the railway it is key that the rights of investors are balanced with the need to provide adequate safeguards for and in the interests of the railway industry.

The proposed financial impact test for compensation in respect of change proposals could be applied to proposals at more than one station. This would help ensure that station parties are not placed in a disadvantageous position in respect of two or more changes that individually are under the threshold but cumulatively would be above the threshold.

Third party proposals could lead to cost for station parties in excess of direct costs, for example they could have an impact on passenger perception or experience in respect of a particular operator or function. A direct duty upon third parties to seek to minimise cost to other station parties where possible could be useful, for example by seeking prior input on proposals from the SFO and, where appropriate, industry experts.

In terms of duration of contributor rights, it appears appropriate that these are limited to a duration that is commensurate with the level of investment concerned, are connected to the station that is subject to the investment, and that rights should be time limited.

When considering the level of contribution that would create third party investor rights, there should be a distinction between different types of station. In general terms, the impact of a £50,000 contribution at a smaller station may be far greater than this sum at a large station. The currently proposed level may be appropriate for a smaller station, however there should be a much higher level of third party contribution attracting rights at a large station. In addition it may also be appropriate to look at shorter duration of rights for certain types of investment than the minimum level currently proposed. In order for a proposal to include more than one station in a change proposal, we agree that the appropriate investment level of contribution should be met at each station.

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We note the reasons for the proposed separation of financial compensation issues from the list of valid objections to a Station Change proposal. We have reservations about such an approach. In our view agreement on financial compensation is a key element in the process which is best addressed with all other issues before the station change proceeds.

Yours faithfully

Sophie Chapman Head of Stakeholder Relationships