

**Jim Bostock**  
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19 January 2012

Peter Henderson  
Director of asset Management  
Network Rail  
Kings Place  
90 York Way  
London  
N1 9AG

Dear Peter,

It will very soon be the 5<sup>th</sup> anniversary of the train derailment at Grayrigg and ORR has just announced that it is starting legal proceedings against Network Rail for failing to maintain Lambrigg 2B points in a safe condition. Network Rail has publicly accepted that a fault with the infrastructure caused the derailment.

Network Rail has implemented most of the RAIB Grayrigg recommendations, with the notable exception of recommendation 2 (and 3, which is a natural progression of 2). Recommendation 2 requires the capture, recording and analysis of data at S&C to identify precursor faults that might lead to more serious failures. The recommendation seeks no more than is good asset management.

We accept that some work has been done, but progress has been disappointingly slow, and we still do not have your overarching plan, describing how and when you will implement recommendation 2 and provide sustainably safe S&C assets. The process to implement recommendation 2 should be transferable to other asset types and allow you to demonstrate implementation of Potters Bar 'points of concern' 7 and 8.

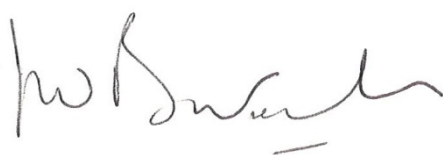
In April 2011, the issue went onto the regulatory escalator at step 4. We now intend to move the item to step 5 and will consider step 6, a possible licence breach, if you cannot explain why you still:

- do not have an overarching plan
- are unable to demonstrate the steps that you are taking to develop and progress the underlying workstreams
- are unable to demonstrate that this work has suitably high priority

The ORR would like to take this as the main agenda item for the scheduled high level meeting on 1 February. In addition to our normal attendees John Larkinson and I will also be present, in view of the wider asset management implications.

I am copying this letter to Robin Gisby and Steve Yianni

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Jim Bostock', is written over a horizontal line.

**Jim Bostock**