## Michael Albon Executive, Access & Licensing

Telephone: 0207 282 3660

E-mail: michael.albon@orr.gsi.gov.uk



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Richard Turner
Customer Relationship Executive
Network Rail Infrastructure Ltd
Western House
1 Holbrock Way
Swindon
SN1 1BD

Rob Holder
Network Access Manager
First Greater Western Limited
Milford House
1 Milford Street
Swindon
SN1 1HL

Dear Richard and Rob

# Approval of the 30th supplemental agreement to the track access contract between Network Rail Infrastructure Limited (Network Rail) and First Greater Western Limited (GWR)

1. We have today approved the above supplemental agreement submitted to us formally on 26 February 2019 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 purpose of this agreement is to extend the duration of the parties' Track Access Contract (TAC) from the Principal Change Date (PCD) 2019 to PCD 2020. GWR had originally applied under Section 17 of the Act for a new TAC because of disagreement with Network Rail over the terms of Clause 19, which describes the transitional arrangements for rights and entitlements.
- 3. During the Statutory Consultation and as part of Network Rail's representations, it advised that the matter had been resolved. The Section 17 application was withdrawn on 31 January 2019 and the parties submitted an agreed extension of the current TAC under Section 22 of the Act.
- 4. The extension is largely a roll-over of GWR's existing rights but with some caveats to denote services that will be affected by future operation of Crossrail services and those that may be impacted by potential open access services proposed by GO-OP.

Head Office: One Kemble Street, London WC2B 4AN T: 020 7282 2000 F: 020 7282 2040 www.orr.gov.uk



The agreement also makes some updates to the TAC including the Default Train Consist Data in Appendix 7C of Schedule 7.

#### **Industry consultation**

- 5. Network Rail used the industry consultation undertaken for the application submitted under Section 17 ending on 11 January 2019. Transport Focus responded supporting the proposal. MTR Crossrail responded with some concerns regarding the proposed extension of Firm Rights, relating to route capacity utilisation and performance constraints on the Relief Lines between Paddington Station, Westbourne Park Junction and Reading off-peak Monday to Friday and on Saturdays. Network Rail advised that the application was not seeking any rights that would concern MTR Crossrail and instead, those rights associated with services between Paddington and Reading (or east thereof) that use the relief line out of Paddington would in part be limited to PCD 2019 or not be rolled over. MTR Crossrail were broadly happy with the response provided but sought clarification on the retention of any GWR rights on the relief lines beyond December 2019. Network Rail advised that the only services that would be operating on the relief lines post December 2019 would be the peak and shoulder peak Paddington - non-stop to Maidenhead trains which use the main lines from Paddington to Maidenhead then cross to the relief line to complete the journey to Reading and Didcot. After consulting its planning team, MTR Crossrail removed its objections.
- 6. GO-OP emailed GWR after the industry consultation period to advise that it would not be operating services until May 2020 at the earliest and was happy for GWR to extend its rights (for relevant associated services) until then.

#### **ORR's review**

- 7. Our review of the application identified no operational, performance or economic issues and we are satisfied that approval is in accordance with our statutory duties under Section 4 of the Railways Act 1993. We identified a number of issues with the quality of the draft of the agreement and provided suggestions to ensure it was legally robust and achieves what it intends to do. The parties accepted all our comments and the agreement was amended accordingly for the formal submission.
- 9. In considering the agreement and in reaching our decision, we have had to weigh and strike the appropriate balance in discharging our statutory duties under section 4 of the Act. We have concluded that approval of this supplemental agreement is consistent with our section 4 duties, in particular those relating to protecting the interests of users of railway services (section 4(1)(a)), promoting the use of the railway network for the carriage of passengers (section 4(1)(b)) and enabling persons providing railway services to plan their businesses with a reasonable degree of assurance (section 4(1)(g)).



#### **Conformed copy**

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. Please send the conformed copy to me at ORR.

### Public register and administration

11. Electronic copies of this letter, the approval notice and the agreement will be sent to Keith Merritt at Department for Transport and to Peter Craig at Network Rail. Copies of the approval notice and the agreement will be placed on ORR's public register (website) and copies of this letter and the agreement will be placed on the ORR website.

Yours sincerely

**Michael Albon**