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John Thomas Director of Competition and Regulatory Economics Office of Rail Regulation One Kemble Street London WC2B 4AN

6 February 2008

Dear John

Re: Review of possessions compensation regime

In my letter of 31 January accompanying the Industry Steering Group's recommendation on changes to the arrangements for compensating operators for the effects of disruptive possessions, I indicated that we would be sending you legal drafting relating to the passenger regime this week. Please now find attached revised drafting for Schedule 4 of the Track Access Contract and Part G of the Network Code, in each case a clean version and a version showing all changes proposed to the existing template (for clarity, highlighting in yellow the interim drafting changes following the review of the "Significant Restrictions of Use" provisions in 2006).

I am copying this to the other members of the Industry Steering Group and the Schedule 4 policy group.

Yours sincerely

Ian Marlee Head of Regulation and Contract Services