29 August 2018

Dear Alex and Kerene

Approval of the Seventy-Eighth supplemental agreement to the track access contract between Network Rail Infrastructure Limited (Network Rail) and First MTR South Western Trains Limited

1. We have today approved the above supplemental agreement submitted to us formally on 29 August under section 22 of the Railways Act 1993 (the Act).

2. The purpose of this agreement is to convert the Contingent Rights granted under the 77th supplemental agreement (General Approval) to Firm Rights, effective from 31 August.

3. Network Rail undertook the usual industry consultation ending on 28 August. During the consultation, we queried an entry of a service (Wareham – Boundary with Swanage Railway services) which had been drafted twice in the table 2.1 in the agreement. Network Rail advised the drafting was to mirror the way it was presented in the timetable but the intention was for it to represent a quantum of 2. We advised the parties that the way it was set out in the draft agreement did not achieve this and that the parties should correct it. They agreed and advised consultees of the change. No objections were received in response to this or with the application as a whole.

4. Our review identified no 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.
5. 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)).

6. 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.

7. 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