

29 June 2012

Dear Sukhinder,

Thank you for giving DfT the opportunity to comment on proposed changes to ORR's penalties statement.

DfT welcomes ORR's proposals in future to remove the requirement that reparations must be offered unconditionally, and that ORR will be prepared in principle to reduce a penalty £ for £ to reflect reparations offered, where appropriate. DfT therefore agrees with the changes you propose to make to the policy expressed in paragraphs 19, 20 and 25 of the *Penalties statement*.

DfT notes that the revised policy will require any proposed reparations to pass the test that "any committed expenditure is verifiably additional". DfT would, however, wish ORR to consult us when considering reparations that have been offered by a franchise operator.

Yours sincerely,

DENISE ROSE