

From: David Cooper-Smith  
To: Joe Quill, Office of Rail Regulation  
Sent: Mon 24/10/2011  
Subject: Competiton consultation - a possible way forward

Perhaps the franchising model has been a mistake, giving the "worst of both worlds" - a series of government controlled private monopolies unable to exercise private sector enterprise, innovation or investment, whilst still extracting shareholder profit in return for little more than day - to - day running.

We should consider liberating this enterprise/ innovation/ investment through allowing all operations where stable, effective competition is feasible(eg. most intercity) to be "open access". Such competition would protect the interests of customers and taxpayers, rendering franchising unnecessary. Subsidies are often desirable in order to represent "hidden" costs and benefits in the marketplace. In an open - access model, these would need to be offered to competing TOC's in an even - handed way, as performance - related "incentive payments" instead of through fixed contracts as at present (eg. they could be related to the amount of custom/ passenger - miles a TOC could generate in a competitive environment, and/ or related to number of stops made per day at particular stations),.

There are some operations(eg. most commuter and rural) which are natural monopolies with "captive markets". These could be run as local consumer cooperatives.

In both the above, accountability would be acheived through either competitive market forces or by directly elected local boards. ORR would be needed in order to arbitrate between infrastructure demands of different TOC's, perhaps via the competitive bidding for paths outlind in the consultative document.