

**From:** George Muir  
**To:** Richard Gusanie, Office of Rail Regulation  
**Sent:** Fri 02/09/2011 17:01  
**Subject:** Response to consultation

Dear Richard,

I was told yesterday that ORR was consulting on whether Network Rail should raise risk capital from the private sector. I see some reference to this matter in paras 6.51 to 6.55 in the current consultation, due to terminate today.

Please take this email as a response on this point.

The view that private sector risk capital in Network Rail would improve NR's efficiency, or have any other benefit to the railway, is a rather silly idea.

Obviously private risk capital brings benefits to private companies, but the idea that a little bit of risk capital can bring a little bit of benefit to a companies not privately owned reflects a failure to understand the nature of private sector management. You can't sprinkle a bit of risk capital over Network Rail - like the shake of a salt cellar - and think it is going to do any good. It is a needless bit of complexity, which will distract their Board, and create either nothing or risk aversion.

Kind regards,  
George Muir