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Dear Paul

Network licence condition 24: asset register - ORR Board position on compliance

Further to my letter of 15 January, I am writing following our Board meeting on 29 April, at which Network Rail's compliance with condition 24 of its network licence was discussed.

We have considered AMCL's views and their recent report setting out the conclusions of their review of your work to complete the tasks described in the asset register guidelines. We are pleased to confirm that we believe that Network Rail has now made sufficient progress to achieve technical compliance with the requirements of the guidelines. Therefore, we can now state our formal acceptance of Network Rail's certification of compliance with condition 24.

However, although Network Rail has now complied with condition 24, we still have some residual concerns about how the new processes are being embedded throughout the organisation and becoming a natural part of Network Rail's operational culture. These concerns include questions about aspects of data quality, and the quality and timely availability of asset information for external stakeholders.

We therefore propose to use the independent reporter (AMCL) to carry out further assessments and audits to confirm that the asset information framework is operated fully and is consistently well-maintained throughout Network Rail, that asset information provided to external stakeholders is current, timely and accurate and that asset data overall is sufficiently accurate and consistent for use. We have had initial discussions with Andrew Newby, Andrew Kirwan and AMCL on the scope for this further review, and we propose that AMCL should report by the end of November 2008 so that our Board can be advised in December 2008.

Beyond this, and because this is such an important area for Network Rail and its stakeholders, we also propose that the independent reporter(s) should be tasked with





further annual reviews in order to monitor the quality and effectiveness of your asset information management.

In the meantime, we will now progress the amendment of condition 24 as a key part of the wider modification of Network Rail's licence.

Yours sincerely

Michael Lee

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