

26 March 2010

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Dear Jon

Network licence condition 24 (systems code)

1. Please find attached today's notice extending the life of licence condition 24 to 30 September 2010.
2. This follows our helpful discussions at the two industry workshops you organised and elsewhere, and our December 2009 consultation. We consider extending the life of the condition for a short period is appropriate, both to address some stakeholders' concerns and, in particular, to provide confidence in the ongoing systems code arrangements while improvements to the code are being developed. It will also ensure there is sufficient time to update the definition of the systems code in the model track access contracts.
3. We have previously noted:
 - a. the high value the industry places on the systems code as a framework for managing and developing complex industry systems in a controlled way;
 - b. Network Rail's commitment to maintain and comply with the systems code regardless of what happened to the licence condition; and
 - c. the industry's commitment to review and update the systems code.
4. We noted at the March workshop that the systems code was mandated by track access contracts. We also said we were satisfied we had the tools available to us through your licence and through the change control mechanisms in the code to protect the interests of stakeholders - including those without a track access contract - as appropriate. In the light of this we explained that we expected to allow the condition to





lapse in September 2010 and that, subject to there being no material change in circumstances, we did not plan another round of consultation on the issue.

5. We have found the systems code workshops particularly helpful in engaging with the industry and taking this issue forward. We hope the momentum built up there will continue and we will continue to play our part to ensure that the systems code remains fit for purpose.

6. The notice enclosed with this letter will be placed on ORR's public register and a copy will be placed on our website with this letter.

7. I am copying this letter to Paul Banks.

Yours sincerely

Sukhninder Mahi