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**Applications for Directions: Proposed Station Access Agreement between London & Continental Stations & Property Limited and Midland Main Line Limited**

We have now had an opportunity to review LCR's further representations, contained in their letter dated 27 November 2002.

I have to say that LCR's representations have not changed our view in relation to this application.

Taking up LCR's points in turn:

**1 The allocation of risks was drawn up at a time when the competitions for both the MML franchise and the CTRL construction were under way.**

Essentially, it appears from their comments that LCR are accepting that the incentive mechanisms have worked in the intended way, in that a more stable construction plan than that envisaged at one time has finally been arrived at. However, the risk allocation between MML and CTRL was set when the original Station Access Agreement was entered into; we see no compelling reason for revising that arrangement.

**2 CTRL delay**

Again, there seems to be an argument around the effects of the working out of the risk allocation, rather than an argument for revising the original risk allocation, accepted by both parties.

**3 The effects of 2000 charges review**

This point is not understood. Amongst the matters considered in the Regulator's charges review were the Schedule 4 and Schedule 8 compensation regimes for possessions and unplanned disruptions. The SRA understands that compensation payable to MML under the Track Access Agreement, whose CTRL provisions were not disturbed by the Regulator's 2001 charges review, are also passed through to the CTRL

project, so that the costs both through the Track Access Agreement and the Station Access Agreement wind-up in the same place.

#### **4 Identification of any benefit to passengers**

It seems to the SRA that the identification of passenger benefits is a matter for the SRA, rather than for private negotiation under the terms of the Station Access Agreement, which is only one facet of the overall relationship between MML and the CTRL project. The SRA is working actively with MML, other operators and Railtrack and LCR to optimise the effects of the forthcoming St. Pancras blockade on the industry.

We look forward to receiving a copy of any further representations received by MML.

As previously noted, the SRA wish to attend any hearing on this topic.

**Philip O'Donnell**