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See copy list below - ***By email only***

Dear Colleague

WEST COAST MAIN LINE (WCML)

1. The purpose of this letter is to inform you of our process for taking forward our consideration of the competing applications and the aspirations we have received for access to the West Coast Main Line ("WCML").

Background

2. On [2 March 2011](#) we issued our decisions ("the March decision") on four applications for access rights on the WCML – from Grand Central Railway Company Limited, Alliance Rail Holdings Limited ("Alliance"), London and Birmingham Railway Limited, and the Department for Transport ("DfT") applying on behalf of the Inter City West Coast franchisee. Our decision was to reject all applications for additional capacity, only extending the existing rights of the franchise holder (in a significantly less-specified form), because our view was that better use would be made of future capacity if Network Rail undertook a more thorough review of the way it could be used in future timetables.

3. In order to ascertain the best future use of capacity, Network Rail has been engaging with passenger and freight operators, initially under the auspices of the Castlefield – Lowton Event Steering Group, as the first step in a series of incremental series of changes required to the current West Coast timetable. The first of these changes, a fairly modest one for Chat Moss Electrification, will occur in December 2013. However, a more fundamental recast of the timetable will be required in the run up to December 2016. This longer term requirement will be carried out through the West Coast Main Line Event Steering Group ("WCML ESG"), the outputs of which are not expected for several months.

4. We currently have two applications before us for consideration and fully expect to receive shortly an application either from or on behalf of the new InterCity West Coast ("ICWC") franchisee, the public consultation for which we are advised is expected to start later this month. For clarity our understanding of the current position is as follows:

- (a) Franchise – through the March decision we approved a 10 year track access contract for DfT (on behalf of the new franchisee) containing rights which maintain the current level of access rights to ensure continuation of the existing franchised services, but with considerably less contractual specification than previously existed on the basis of:
 - (i) a daily quantum of train paths, with a minimum level of specification related to the core franchise requirements, until the Principal Change Date in December 2013; and
 - (ii) a daily quantum of train paths only from December 2013 for the remainder of the 10 year track access contract (until December 2022).

We also approved rights to extend some existing hourly Lancaster services on to Glasgow on the basis that would not affect overall WCML capacity.

- (b) Alliance, which plans to operate new services from Euston to Leeds, Bradford, Blackpool and Carlisle. As you know we decided on [3 May 2012](#) to suspend consideration of its application until we are in a position to make a proper assessment, which will be when Network Rail and the WCESG has produced its analysis on the possible future uses of capacity; and
- (c) [First/Keolis Transpennine Limited](#) (“FKT”), which in line with Government requirements, is seeking changes and additions to its existing rights in order to provide an enhanced level of services between Manchester and Scotland and between a number of key Northern cities (Liverpool, Manchester, Leeds, Sheffield and Newcastle). This application is currently under review but, as with the Alliance application, we currently do not have the necessary information before us to enable us to reach a decision.

5. To inform our consideration of future capacity allocation and decisions on the various applications for access rights on the WCML, we need a capacity and performance report based on the plans of all three operators that will:

- (a) say how the timetable can be adapted to accommodate the various aspirations;
- (b) establish what the capacity trade-offs will be, i.e., the extent to which the stated requirements of all three operators can be met, having regard to the impact on other operators, particularly those, including freight operators, with existing access rights; and
- (c) assess as far as possible the likely impact on other routes, on performance, on safety and on maintenance requirements.

6. Last August, in anticipation of the announcement of the ICWC franchise, Network Rail wrote to us setting out the work it was doing to provide the information that it anticipated we would need to help inform our decisions on the WCML applications. We have subsequently been discussing with Network Rail the remit and arrangements.

7. From these discussions it is clear that we will not be in a position to provide applicants with decisions on the totality of their applications without a full recast of the

timetable because of the constraints and uncertainties that either still remain since we issued our March decision and/or which have arisen more recently. In particular:

- (a) the need to understand properly what all operators want, including the applicants;
- (b) the need to understand the impact on existing operators both on the WCML route and on adjoining and connected routes; and
- (c) to ensure that any decision we take does not lead to ossification of the network.

8. We also need to ensure that any decisions taken are in line with our statutory duties, making best use of capacity, and that they are in the public interest. We do not believe that we can do this without a better understanding of what capacity is available. We agree with Network Rail that this can only be achieved by a full recast of the timetable and we remain of the view that it is not in the best interests of the industry and its customers for us to take decisions which could lock in an inefficient use of capacity on such a significant part of the network without this further timetabling work being done.

The remit

9. Given the above we have agreed with Network Rail that its capacity and performance analysis will include the following elements of the various applications:

- (a) for the ICWC franchise, the analysis will only include the proposed new services between London Euston and Blackpool North/Lancaster, departing London Euston at xx.33, and corresponding return workings. The analysis will not include any future aspirations beyond the December 2013 timetable;
- (b) for Alliance Rail, the analysis will only include the West Coast Main Line element of the proposed services between London Euston and Blackpool North/Carlisle/Bradford/West Yorkshire, notionally departing London Euston at xx.3x/xx.36, and corresponding return workings. It will not make any assessment of whether these services can be accommodated on the Cumbrian Coast or where Bradford/West Yorkshire services diverge from the West Coast Main Line; and
- (c) for FKT, the analysis will only include the additional services which will result in an hourly electric service being provided between Manchester and Scotland. The analysis will not include an assessment of whether a 5th Pennine service could be accommodated."

10. Network Rail will be sharing its work programme and remit with stakeholders shortly and a copy will be published on our website at <http://www.rail-reg.gov.uk/server/show/nav.2437>,

Our decision(s)

11. Based on this, we will only be in a position to decide by the priority date on 1 March 2013:

- (a) the continuation of FKT's existing rights and the first stage of FKT's plans; and

(b) Alliance's and/or franchisee's Blackpool proposals.

12. Depending upon what the new franchise decides to proceed with, we may also be able to decide some of its other proposed enhancements from December 2013.

13. Although we will approve any such rights until December 2016, we recognise that this will not provide applicants with the assurances that they need to commit to the planned investment on new routes and rolling stock, nor the certainty that they require that they will be able to operate over an extended period, particularly given the large sums of money involved. It is important that we carry out the longer term work as quickly as possible.

Next steps

14. Therefore, we have agreed with Network Rail that rather than the iterative process originally envisaged in our March decision it will bring forward its programme of work to develop a new timetable to start as soon as it knows the details of what all the operators want, including the new ICWC franchisee's proposals (when made public). We anticipate that this process is likely to take up to a year, but Network Rail is currently drawing up a project plan and reviewing the internal resources required to see what scope there is to reduce the timescales. The input of stakeholders will be vital in ensuring that timescales are kept to a minimum and as part of the preparatory work that Network Rail is currently putting in-hand, it will be establishing the WCML ESG and looking to convene a first meeting before the end of the year.

15. I hope that this is helpful, but please do not hesitate to contact me if you need further clarification or wish to discuss.

Yours sincerely



Cathryn Ross

Copyees

Ian Yeowart – Alliance Rail
Bob Holland - Arriva Trains
Andy Wylie – First West Coast
George Thomas – FKT
James Carter - London Midland
Peter Foot - DfT
Fiona Dolman – Network Rail
Richard Eccles – Network Rail

David Jackson – Network Rail
Peter Painter – Network Rail
Steven McMahon – Transport Scotland
Richard Price - ORR
Brian Kogan - ORR
David Robertson - ORR
Dave Wearing - ORR
Ian Williams - ORR