

Grand Union Trains: London Paddington – Carmarthen track access application (March 2021)

Industry Consultation Responses

1. CrossCountry submission	2
2. GUT response to CrossCountry	4
3. DfT submission	8
4. GUT response to DfT	11
5. Freightliner initial submission	17
6. GUT initial response to Freightliner	19
7. Freightliner further response	21
8. GUT further response to Freightliner	22
9. Go-Op submission	24
10. GUT response to Go-Op	25
11. Go-Op further submission	27
12. GWR submission	28
13. GUT response to GWR	37
14. Heathrow Express – GUT correspondence	42
15. MTREL – GUT correspondence	44
16. TfW submission	48
17. GUT response to TfW	49
18. Transport Focus submission	51

16<sup>th</sup> April 2021

Dear Gianmaria,

## **XCTL's response to Proposed Application under Section 17 between Network Rail Infrastructure Ltd and Grand Union Trains Ltd.**

This letter constitutes to XCTL's formal response. XCTL is unable to support Grand Union's application on several grounds.

### **Traction**

The timings provided are for a class 802's running on electric, in the interim a class 91 is very unlikely to achieve the level of performance set by the timings and to date there is no data provided to prove the contrary. Another issue is surrounding the class 91's and fitment of ATP, if this is not carried out only 110 MPH operation will be available which in turn would adversely affect the proposed timetable – can Grand Union advise please on the impact of running at 110mph on the schedules proposed or alternate measures to ATP to permit operating at 125mph? Further to this, with the Class 91 being electric only does Grand Union Trains have arrangements in mind for rescue in the event of failure? Could Grand Union also please explain how it intends to run to Carmarthen in the interim before the Class 802's arrive with Grand Union.

### **Capacity / Performance**

After looking at the proposed timings along with the consultation itself CrossCountry has found a number of areas of concern, Crosscountry deems the proposed as pushing capacity to unreasonable limits which is against spirit of "build back better" especially. We also understand Network Rail are (or had been) in the process of declaring Didcot to Swindon as congested infrastructure which means the rights proposed should be contingent not firm dependent on the times of day that Network Rail declare to be congested.

#### **➤ Cardiff Central**

The first issue arises from the question of using Class 91's beyond Cardiff to Carmarthen, If we assume services will terminate at Cardiff Central in the interim our main performance concern is over the stabling at Cardiff and the movement of the ECS' in the station. We already sufferer from poor performance at Cardiff Central due to the congestion at the station around the time the Up Grand Union service wishes to depart. Looking at the proposed times there seems to be a lack of area to stable Grand Union services at Cardiff or to come into the station on the upside due to the length of the Class 91 sets. Furthermore, due to the risk of wires being brought down when 387s from GWR are introduced they will not be shunting due to the risk to the OHLE. There has been a great deal of work to remove the risk of shunts at Cardiff and this proposal presents a further risk.

Please see the below performance figures regarding on time departures from Cardiff Central to put our concerns into perspective.

XC Only	P2101	P2102	P2103	P2104	P2105	P2106	P2107	P2108	P2109	P2110	P2111	P2112	P2113
All Departures	40%	29%	35%	50%	50%	45%	43%	50%	71%	67%	90%	70%	82%
All Terminating	69%	63%	60%	67%	63%	65%	66%	66%	65%	58%	63%	65%	64%

➤ Cardiff – Severn Tunnel Junction

On the proposed timings we note issues regarding the capacity between Cardiff and Severn Tunnel Junction, services are currently flighted with few firebreaks in between, the Grand Union proposal would reduce this especially where the 5 minute dwell at Newport is concerned and this puts further pressure on the mainlines where there is very little use of the Relief lines. Also if services are departing on the UP xx.34/xx.38 that puts a minimum headway between the proposed additional service and the GWR service behind thus increasing the chances of reactionary delay.

Regarding the Call at Cardiff Parkway / Severn Tunnel Junction has this been modelled and what is expected to be the impact on other services?

➤ Severn Tunnel Junction – Reading

When reviewing the proposals from Bristol Parkway onwards there is no path due to clashes with CrossCountry schedules which are supported by Firm rights. This issue repeats itself with other operator's rights along the route. Looking at the first clash at Westerleigh Jn at around xx.15 basic conflict resolution puts our service flexing to xx.17 and GWR's to xx.21 which puts us both on minimum headway and potentially impacts our performance further in both directions risking the spread of delay to the Midlands and the West of England. Between Didcot and Reading the timings are seen as being close to our Newcastle – Reading paths and given the congested nature of both the mains and reliefs this leaves even CrossCountry with few options where flexing is concerned (The issue is so prevalent of the poor performance of the Main Lines between Didcot and Reading that CrossCountry has now moved all but 4 services onto the reliefs currently and in the next timetable will move 2 more and this is when the XC service operate at 125 mph as per the sectional appendix). The issue is further compounded if GW – ATP is not installed as differential speeds on the lines from Westerleigh Jn through to Paddington will add to congestion with many trains 125mph capable and so are able to keep out of each other's way relatively easily.

### **Summary**

In summary CrossCountry cannot support the proposal given the questions yet to be answered regarding interim arrangements; the fact that we are left with the large question mark regarding lack of wires between Cardiff and Carmarthen and the arrangements to mitigate this are rather worrying. Beyond that the arrangements present issues and we feel they are not only unrealistic but also import increased risk to what are very delicate timetabling arrangements which as mentioned are subject to mitigations being required before further traffic is even a reality.

XCTL would like Network Rail/Grand Union to clarify the above points before XCTL will be able to support this application.

Yours sincerely,

**Scott Turner**

**Track Access Specialist**

# ***Grand Union***

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CrossCountry  
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Cc: Gianmaria Cutrupi

22 April 2021

Dear Scott,

## **Grand Union Trains – Carmarthen – Paddington consultation**

It is disappointing that CrossCountry (XCT) does not support the Grand Union application for a very limited number of direct new services to link South and South West Wales with London Paddington. It has always been the case that the established operators object on every occasion when a new operator seeks access to the network - unless that established operator happens to be operating on a route where it has a 'sister' open access company.

Grand Union has addressed all the capacity issues raised by a number of consultees on its previous application and is now seeking a sub-set of compliant paths that have been developed with Network Rail.

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# *Grand Union*

## **Traction**

Grand Union has shared all its available information with both Network Rail and the ORR in respect of its tractive performance. The use of 802 timings was agreed and additional running time was added on departure from stations. Once on the main line from Bristol Parkway trains will operate non-stop to/from London Paddington.

Grand Union is aware of the requirement for ATP or mitigation, and clearly any approval from the ORR would be expected to caveat the position.

In respect of rescue, Grand Union is in discussions with operators who can provide that facility, but clearly no details can be developed until a track access contract is in place.

The Form P and draft Contract are clear that Grand Union does not intend to operate passenger services beyond Cardiff using Class 91 traction.

## **Capacity/Performance**

No questions regarding capacity were mentioned by XCT in its earlier response on the 3 June 2020 on Grand Union's Carmarthen application, so it is surprising that after a complaint timetable has been developed that the issue should now be raised.

I am unsure what is meant by 'the spirit' of build back better. I am sure customers who may be asked to pay £294.40<sup>1</sup> for a standard open return ticket between York and Cardiff, or £653.70 for a 1<sup>st</sup> class ticket may also wonder at the industry's approach to 'the spirit' of build back better. The industry seems to have a belief that 'build back better' only refers to performance.

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<sup>1</sup> A look at the XCT website one week forward to 28/29 April shows even the cheapest ticket on the 0744 from York returning on the 0755 from Cardiff to be £288 Std and £607.50 1<sup>st</sup>.

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'Rules' are in place to manage capacity, so it is not clear how Grand Union and Network Rail can be accused of "*pushing capacity to unreasonable limits*" when the paths proposed are a sub-set of the 6 fully compliant paths already developed.

To declare 'congested infrastructure' The Railways (Access, Management and Licensing of Railway Undertakings) Regulations 2016 (AMR) is clear that this can apply where it is not possible for the infrastructure manager to satisfy requests for capacity. A full set of compliant train paths have been identified and developed.

In reference to contingent not firm rights, the ORR has always been clear on the challenges associated with the introduction of open access services where there is significant commercial risk and the need for firm rights to underpin investment. This has been the case with XCT's sister company Grand Central during its introduction and growth.

Grand Union is working closely with colleagues at TfW on how its services will be managed at Cardiff Central, and has been fully involved in the Wales ESG for over 2 years. As part of the timetable development Network Rail undertook a detailed performance assessment of the route and the introduction of Grand Union's services were shown to have little more impact than the further services introduced in the December 2019 timetable. That modelled performance work was for the introduction of 6 train pairs, this application is for 4 train pairs, where any modelled performance impact would now be below that figure. The ORR stated in its letter of 10 February 2021: "*the absolute potential performance impact of Grand Union's proposed service as modelled by Network Rail is less than we, and Network Rail, have accepted for other recent timetable changes on the route which have included greater numbers of additional services*".

I feel I need to emphasise again that paths are compliant, so raising issues of minimum headways and firebreaks is not relevant. If XCT is suggesting that fully compliant paths developed by an open access operator are not acceptable, perhaps XCT could explain what should be done about the significant number of non-compliances that remain in

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established operator's services on the route, and in view of your comments is XCT also undertaking a detailed assessment of its many services that operate on minimum headways?

The fact is that Grand Union's timetable has been subject to far more detailed development, scrutiny and challenge than that of established operators, which, in itself is not only a significant barrier to entry but also an indication of the 'closed shop' nature that many established operators want to retain. It should be noted that both XCT and GWR are owned by Groups that already have long standing open access operators on the ECML.

In respect of any 'clashes' with other services, the necessary flex has been applied to ensure developed and flexed paths are compliant.

Yours sincerely

Ian Yeowart  
Managing Director

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22 April 2021

Gianmaria Cutrupi, customer manager  
by email: [REDACTED]

Dear Gianmaria,

**Industrial Consultation - Grand Union Trains Wales, Section 17 Application, London Paddington-Carmarthen**

Thank you for sharing the open access industry consultation with the Department regarding Grand Union Trains Wales (GUT) current track access application.

As you are aware, the Department for Transport provided a response to both Network Rail and the ORR in regard to the previously submitted track access application from GUT.

The Department has undertaken initial analysis of the revised GUT track access proposal. At this stage the analysis indicates that it is unlikely that the amendment in GUT's proposal will result in a change in our previous finding of the services being primarily abstractive, with a significant level of absolute abstraction. There are significant uncertainties that affect rail demand forecasting and abstraction analysis at the current time. This includes COVID-19 related revenue recovery uncertainty, new rail contracts and the forthcoming Williams Rail Review. This revised GUT proposal will likely exacerbate any revenue risk attached to the Department and/or harm the financial position of the incumbent train operator (Great Western Railway, GWR).

The proposed route by GUT largely replicates the core services of the GWR between London and Cardiff. Given the current high level of uncertainty of future rail demand due to COVID-19, any level of abstraction will be felt more severely by the Department given the significantly lower overall industry revenues and stretched funds available. Overall the Department is currently operating within a more constrained budget position than previously, and this needs to be taken into consideration. We will be therefore asking the ORR to take account, as it did in its recent decision on the application made by GUT, the exceptional state of rail finances, when it considers the application.

Turning specifically to capacity and performance, the Government asks and expects Network Rail to ensure that it has conducted a robust examination of the operational consequences of the updated application, most particularly with regard to capacity and performance, so that a robust timetable is delivered. We are clear, in particular about the importance of the performance implications of the applications being carefully considered, given the paramount importance of performance to passengers and the importance of building back better as



services recover. We note, in relation to the previous application, Network Rail's clear position about the adverse consequences on performance in the light of the congestion on the Great Western Mainline<sup>1</sup> – and consider it important that a clear position on this issue, supported by robust analysis, is provided to the ORR.

In addition, and in consideration of the current track access application and GUT's proposed rolling stock, we expect Network Rail to once again take into account the below points which are still relevant:

- The IET based long distance timetable on the Great Western route is dependent on a running assumption of 125mph. We would welcome Network Rail confirming that assumption is fully maintained in the consideration of this application, particularly that GUT are fully able to meet these speed requirements. Lower speeds would clearly have a significant impact on the delivery of the timetable.
- The specific plans GUT has in place to address the various protocols in place which require all trains exceeding 100mph to be fitted with operational Great Western-specific ATP (or requiring a specific exemption).

The Department would also like to highlight again that the new proposal by GUT includes the introduction of additional Class 802 sets on the GWML. In light of previous electromagnetic compatibility issues experienced with the class 80x fleet, we believe that analysis to confirm that the addition of further sets will not exacerbate the problem further will be important (accepting that the current Class 80x fleet will be fitted with passive filters and ACPTU cards to reduce train emissions).

We would also like to highlight the following, which we consider it important for Network Rail to consider in its capacity analysis:

- **Old Oak Common mainline station:** although the proposed GUT service does not intend to stop at the new mainline Old Oak Common station, there has been initial analysis conducted in relation to the mainline platforms which indicates that the infrastructure would not be able to support a mixed stopping pattern with some services stopping and others not. This evidence suggests that all services would need to stop once the new platforms are completed. There would need to be a consistent approach for all operators, which includes the proposed application by GUT.
- **HS2 engineering works:** there will be some significant engineering works required over the next few years that will be disruptive to services on the Great Western Main Line. Arranging these will be subject to normal industry processes. If the GUT track application is successful, this service would incur some disruptive access requests from the outset and for several years afterwards. This would also add additional cost to the HS2 project by way of compensation payments.
- **Material by rail access:** the HS2 project has important targets to transport material to and from work sites via rail rather than road. Whilst this will be subject to standard industry processes for obtaining access, it should be noted that this is likely to cause some pressure on capacity.

In line with the above, we therefore ask and expect Network Rail to carry out a rigorous and robust assessment of this open access application on the network and the Department will be

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<sup>1</sup> Network Rail letter to ORR

happy to provide further assistance as required to support Network Rail and ORR's consideration of this application.

Please contact me if you wish to discuss further in the meantime.

You sincerely,

A handwritten signature in dark ink, appearing to read 'O. Mulvey', with a small dot after the first name.

**Oliver Mulvey**  
**Deputy Director**

cc. Dan Moore, Director, Rail Strategy and Analysis

# ***Grand Union***

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Email: [REDACTED]  
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30 April 2021

Dear Oliver,

## **Grand Union Trains – Carmarthen – Paddington consultation**

Thank you for your considered response to the recent consultation regarding the introduction of a small number of important new services linking Carmarthen with London Paddington.

It is disappointing that the DfT still objects to these few open access services, not least because of the significant benefits that have been delivered on the ECML for over 20 years and the current important need to stimulate the market to encourage the quicker return of passengers. I am afraid the recent decision to increase rail ticket prices was greeted with widespread condemnation and surprise both inside and outside of the industry and shows a fundamental lack of understanding of how market economies work.

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# Grand Union

Passengers are extremely sensitive to price, and in the Transport Focus Autumn Survey of 2019, Value For Money (VFM) for open access operator Grand Central was 75%, whilst for GWR it was 53%. This clearly shows that the ORR's role as the Competition Regulator has delivered and continues to deliver for those using the many competitive ECML services, driving growth and passenger satisfaction. Grand Central consistently outscores other operators on VFM by a significant margin.

Recent Transport Focus research, where a panel group were asked: what would make them more likely to travel by train? - 85% (the top ranked response) stated "*if fares were cheaper*". This is a clear example of the power of competition 'in the market', and the significant benefit for passengers, taxpayers and the environment that competition brings. The benefits can be clearly seen on the ECML.

In a recent speech to the rail industry<sup>1</sup>, Keith Williams, Independent Chair of the Government Rail Review said creative thinking was now critically needed around how the private sector could be incentivised to expand the industry's revenue base, pointing out that airlines had been defined by more competition and greater emphasis on customer engagement following previous significant major setbacks for the sector. It is an established fact that the various open access services on the ECML brought that type of creativity to the industry, significantly expanding the industry's revenue base.

The application also sits firmly at the centre of the UK Government's levelling up agenda as outlined in the interim report of Sir Peter Hendy's Union Connectivity Review by boosting the transport options connecting the UK, with focus on providing high-quality transport infrastructure to communities that have been passed over for investment in previous decades. It is also aligned with Prime Minister Boris Johnson's vision to build back better from coronavirus by boosting transport connectivity across and between the whole of the UK, as part of ambitions to truly level up across the country. The Welsh Government has quickly identified the benefits of these proposed new services.

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<sup>1</sup> National Rail Recovery Conference 25 February 2021

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Every new open access service “replicates the core” somewhere on the network, but that element also provides the limited competition that drives up passenger usage and satisfaction levels. The evidence is clear and measurable and identified in much of the ORR’s guidance.

The definition of ‘primarily abstractive’ is often misused by parties objecting to new open access services. In respect of this application, the generation/abstraction ratio for the proposed services is now at 0.69<sup>2</sup>. The threshold is 0.3, which is the initial ‘balance’ between benefits and the ‘funds’ available to the Secretary of State. In its Access Policy, Final Conclusions, the ORR states: “*...we continue to believe that using a threshold ratio for the entire service of 0.3 to 1 will best balance our duties to promote competition for the benefit of passengers and to have regard to the funds available to the Secretary of State*”. At a ratio more than twice the ‘threshold’, then this application goes much further than that. The ‘absolute level of abstraction’ is also now significantly less than the previous application for 7 return pairs and is at the lower end of applications approved by the ORR previously.

Your response further states that: “*Given the current high level of uncertainty of future rail demand due to COVID-19, any level of abstraction will be felt more severely by the Department given the significantly lower overall industry revenues and stretched funds available*”. In such a scenario it would be reasonable to assume that in any other industry, a new entrant to the market taking its own commercial risks at this time would be welcomed and it is important to note that First Group continue with the planned introduction of its own new open access service on the ECML linking Edinburgh and London King’s Cross.

So, while there are naturally lower industry revenues at present, the forecast from Rail Delivery Group work alongside Imperial College London shows that demand patterns should be stabilising by 2023, with leisure demand recovering more quickly. Every

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<sup>2</sup> Full details of the revenue development plan have been shared with the ORR

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# Grand Union

economic forecast is also showing a marked increase in GDP growth during the next few years<sup>3</sup>.

The Chancellor has also expressed a view in a recent Budget speech that the economy will recover more quickly from the pandemic than previously thought, with the economy returning to its pre-pandemic size six months earlier, by the middle of next year. This would coincide with Grand Union's arrival to the Network, helping to drive that recovery.

While the exceptional state of rail finances is quoted in your response, the reality is that the industry has not been short of investment, with a reported £10 billion having been used to maintain the service – at a time when the industry was encouraging passengers not to travel! Under the current scenario there is also little, if any encouragement for operators to be innovative as they take no revenue risk. The content of Keith Williams' recent industry speech is very focused on incentivising the private sector.

Alongside this, recent reports state that:

- SWR is to scrap its 442 fleet after £45 million has been spent in upgrading it, while then also spending £25 million on 458s<sup>4</sup>.
- Network Rail is at last to get a grip of its high costs addressing outdated practices amongst other things<sup>5</sup>.
- Network Rail has submitted plans to the DfT for a £1.5 billion Transpennine upgrade to speed up services and increase capacity<sup>6</sup>. Work planned to start in 2023.
- HS2 continues to be developed to increase capacity and speed up services to the North.

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<sup>3</sup> HM Treasury – Forecasts for the UK economy – a comparison of independent forecasts April 2021 -

<sup>4</sup> Rail magazine Issue 929 & other publications – Headline “What a waste” -

<sup>5</sup> Rail magazine Issue 928 & other publications – Headline “NR gets a grip on high costs” -

<sup>6</sup> Transport and Works Act Order application 31 March 2021 -

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# Grand Union

This does not point to an industry that is not expecting passenger numbers to recover. It also shows an industry happy with the largesse of the DfT where taxpayers money is concerned. In Grand Union's case, as with all other open access operators, its own commercial investment and decisions will determine how it will survive and flourish.

The Grand Union proposal is designed to offer passengers to and from South East and West Wales extra and new direct services and also give them a choice of operator for the first time in 25 years. There will also be significant further benefits, not least lower fares and new journey opportunities, but also valuable new employment along with important economic improvements. Lower fares through competition is a significant reason in the ORR approval of the First Group open access service from London King's Cross to Edinburgh.

The issues of capacity and performance have already been fully evaluated by the ORR from the initial application for 7 return pairs<sup>7</sup>. Network Rail undertook a detailed analysis of performance against the full access rights held by all operators. The ORR stated in its letter of 10 February 2021: *".. the absolute potential performance impact of Grand Union's proposed service as modelled by Network Rail is less than we, and Network Rail, have accepted for other recent timetable changes on the route which have included greater numbers of additional services"*. This application is for 4 train pairs. Any modelled performance impact would now be less than that initial analysis.

The issue of ATP or exemption is one Grand Union and Eversholt Rail have been aware of since the initial application was made, and if approved will be addressed in line with the requirements of the contract that may be offered.

I would be more than happy to discuss any of these matters directly if you felt that would be useful.

Yours sincerely

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<sup>7</sup> 6 conflict free return pairs analysed

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Ian Yeowart

Managing Director

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By Email

26<sup>th</sup> March 2021

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Dear Gianmaria

#### Grand Union Trains Ltd - London Paddington to Carmarthen Consultation

Thank you for providing the opportunity for Freightliner Group (representing both Freightliner Ltd and Freightliner Heavy Haul Ltd) to comment on the Section 17 application being made by Grand Union Trains Ltd to operate services between London Paddington and Carmarthen. Freightliner have a number of concerns regarding this application and the impact that granting these Rights will have on capacity for freight operators on the route.

As has been expressed in response to previous consultations to applications from this prospective operator, the Great Western Main Line (GWML) is a critical corridor for rail freight and trains conveying a wide range of commodities rely on the route. This includes trains conveying aggregates and construction materials from the Somerset quarries, containers to the West of England and South Wales, waste traffic and both raw and finished materials related to the steel industry in South Wales. Additionally, the section between Reading and Didcot is part of the key North-South artery on which all intermodal trains to and from the Port of Southampton run.

These rail freight markets are forecast to grow significantly in the years ahead, but that growth is contingent on sufficient network capacity being available. While paths have been found to accommodate these proposed Grand Union Trains services as part of timetable development work incorporating existing freight demand, these paths ultimately utilise capacity that could otherwise be used for freight growth across the 12 years this contract is proposed for.

Following the December 2019 timetable change, Great Western Railway introduced additional services between Swindon and Bristol serving Bristol Parkway. To date, Freightliner are unclear as to whether these additional services have run in commercial traffic due to insufficient demand, however, they have led to a requirement to divert numerous daytime freight services via Bath, a longer and considerably slower route, presenting significant performance risks in comparison to running via the main line.

Network Rail are also in the final stages of upgrading the GWML to support gauge clearance for container traffic to run at W10 or W12 capability, therefore allowing freight operators to make more efficient use of train paths and assets, moving more of the large containers favoured by the global logistics industry, and thus supporting modal shift from road to rail on this vital East-West corridor. This will only initially provide enhanced capability on the GWML itself, the result being that services routed via Bath are unable to take advantage of this considerable investment by the DfT.

As such, Freightliner questions the relative value of contractualising further long-distance passenger services on the two track sections of the GWML West of Didcot. Given the lack of clarity on future

passenger demand evidenced both by the non-running of existing timetabled services, and the ORR's decisions relating to the previous Section 17 application made by Grand Union Trains, the further restrictions to the efficiency of rail freight, and the potential to limit the benefits from significant Network Rail investment, this would not appear to deliver the maximum benefit for the industry. Against this picture of uncertain future passenger demand, rail freight continues to grow year on year and has recorded a strong recovery from the impact of Covid-19, utilising the opportunity provided by the significant fall in passenger numbers to trial innovative methods of further improve efficiency and work towards decarbonisation targets. To limit further growth and progression in light of this would be a lost opportunity for a step change in decarbonisation policy.

In summary, and for the avoidance of doubt, on the basis of the above concerns, at this time Freightliner are not able to support the application being made by Grand Union Trains Ltd to operate this service. If you have any queries regarding the comments we have made then please do feel free to contact us.

Yours sincerely

Chris Matthews  
Track Access Manager  
Freightliner Group Limited

# ***Grand Union***

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29 March 2021

Dear Chris,

## **Grand Union Trains – Carmarthen – Paddington consultation**

It is disappointing, but unfortunately not unexpected that Freightliner does not support the Grand Union application for a very limited number of direct new services to link South and South West Wales with London Paddington. It has always been the case that the industry players object on every occasion when a new operator seeks access to the network.

Having addressed all the capacity issues raised by a number of consultees on its previous application and having developed a fully compliant set of train paths, it is rather surprising that Freightliner raise the issue of GWR services as somehow being an issue on this application. The fact is that 60 and 75mph freight trains operating on a 125mph main line significantly consume capacity and is a reason why many freight trains operate over slower and longer routes across the country.

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# *Grand Union*

The application from Grand Union sits squarely at the centre of the UK Government's levelling up agenda as outlined in the interim report of Sir Peter Hendy's Union Connectivity Review by boosting the transport options connecting the UK, with focus on providing high-quality transport infrastructure to communities that have been passed over for investment in previous decades.

It is also aligned with Prime Minister Boris Johnson's vision to build back better from coronavirus by boosting transport connectivity across and between the whole of the UK, as part of ambitions to truly level up across the country. Private investment and innovation will be critical in ensuring the railway comes back stronger following its period of enforced slowdown, and this application shows private sector confidence in the railway's resurgence.

While Freightliner states that rail freight continues to grow year on year, the reality is it has not, and has been at best constant for some time and is at a lower level than in 2015<sup>1</sup>. In any case, Grand Union is not seeking to prevent further access for other operators, and this application is not competing with others.

The current economic issue due to the pandemic is expected to be short term, one of the reasons why First Group for example is continuing to prepare to launch its new open access service between Edinburgh and London later this year. Grand Union will not enter the market until May 2022 at the earliest. By then the Chancellor has stated he expects the UK economy to be close to its pre-pandemic levels. The confidence of the private sector will be of vital importance in encouraging passengers back to the railway.

Yours sincerely

Ian Yeowart

Managing Director

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<sup>1</sup> ORR - Freight Rail Usage and Performance 2020-21 Quarter 3

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**a Genesee & Wyoming Company**

Ian Yeowart  
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27<sup>th</sup> April 2021

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Dear Ian

### **Grand Union Trains Ltd - London Paddington to Carmarthen Consultation**

Further to your letter dated 29<sup>th</sup> March (with apologies for the delay in responding) Freightliner wish to clarify a number of the points raised.

Freightliner understand that Network Rail were able to identify paths for the services that are the subject of this proposal to run as part of the capacity analysis work carried out in conjunction with Grand Union Trains' previous application to the ORR. While this confirms that capacity is available for these services to run today, Freightliner believe that the inclusion of these services in the timetable will limit future growth of freight services in line with industry forecasts, particularly given the significant length of the proposed contract. Given the uncertainty surrounding future growth in the passenger sector (as referenced in the ORR decision letter regarding Grand Union Trains' previous application), Freightliner believe that consideration needs to be given to future network utilisation and the relative value to the UK economy of these services when compared to competing future access requirements.

To allow rail freight to continue to offer, and to increase, competitiveness with road haulage, particularly in the Intermodal sector (one of the biggest growth markets), journey time and the ability to efficiently move high gauge containers is of key importance. This is the reason for a significant program of investment in gauge clearance of strategic freight routes, including the Great Western Main Line to South Wales. Freightliner believe that the inclusion of the services in this application in the timetable will lead to future diversions for services via Bath, a route that has not been gauge cleared, and as such the benefits of this investment may not fully be realised by freight operators, while the significant journey time increase detracts from the sector as a whole, potentially limiting future growth.

Finally, Freightliner note Grand Union Trains' comments regarding rail freight volumes having dropped since 2015. It is important to note that, during this period, coal traffic has reduced from the largest commodity moved by rail to one of the smallest, in line with the UK's decarbonisation policy. As such, any comparisons over this time period are vastly distorted and do not provide an accurate picture of traffic on routes in question, where volumes and demand continue to grow strongly. You will note that the latest ORR data of freight volumes moved by rail showed significant growth in Q3 2020/21 compared with Q3 2019/20, despite the impact of the pandemic.

Yours sincerely

Chris Matthews  
Track Access Manager  
Freightliner Group Limited

Genesee & Wyoming Inc. is the ultimate parent company and controlling entity of GWI UK Holding Limited.  
GWI UK Holding Limited (Reg. No. 09449260) is the UK parent company and controlling entity of GWI UK Acquisition Company Limited (Reg. No. 09449366), RailInvest Holding Company Limited (Reg. No. 06522978), RailInvest Acquisitions Limited (Reg. No. 06522985), Freightliner Group Limited (Reg. No. 05313119), Freightliner Acquisitions Limited (Reg. No. 05313136), Management Consortium Bid Limited (Reg. No. 02957951), Freightliner Limited (Reg. No. 03118392), Freightliner Heavy Haul Limited (Reg. No. 3831229), UK Bulk Handling Services Limited (Reg. No. 08568433), Freightliner Maintenance Limited (Reg. No. 05713164), Freightliner Railports Limited (Reg. No. 05928006) and Freightliner Middle East Limited (Reg. No. 07982095). Registered in England and Wales,  
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# Grand Union

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[REDACTED]

Cc: [REDACTED]

30 April 2021

Dear Chris,

## **Grand Union Trains – Carmarthen – Paddington consultation**

Thankyou for your further response to the consultation in which you seek to clarify a number of points.

It remains disappointing that, despite not seeking to prevent others from introducing new services, established industry operators continually object to new entrants. In this particular case Grand Union has invested considerable time and expertise in identifying capacity that most current operators, Network Rail and the DfT said was not there, and then developed a set of compliant train paths.

I am not sure why this very small number of services should limit growth in freight traffic. In the initial consultation you identified that you had been “*struggling to secure paths for existing traffic, and even trains with access rights, let alone protecting capacity to support future growth*”. This clearly indicates that it is not merely capacity that is an issue but the performance characteristics of the trains that might use that

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# *Grand Union*

capacity. I would have hoped that a new prospective operator, having in effect taken Network Rail to task on its understanding of its network, would have been welcomed by others who have capacity concerns.

I understand concerns over journey time and competitiveness for intermodal, but 75mph operation has been the norm now for far too long and ultimately, it is this that will hinder access to the faster parts of the network at certain times.

I note your comments regarding freight volumes, but I am also aware that on the GWML, according to discussions we have all had at the ESG, many freight paths in each hour are not used. Indeed, while we were undertaking our timetabling exercise, with Network Rail we found a significant number of paths that we 'flexed'<sup>1</sup> had no access rights, while some had not operated for over 18 months.

In respect of the growth between period Q3 2019/20 and Q3 2020/21, the statistics<sup>2</sup> show that while there has been a slight increase in comparing the two periods, the level now is still well below the levels operating between 2015-2020 with Freightliner freight train kilometres down 9.4% in comparison between the two periods.

The reality is Grand Union has never, at any time, tried to prevent other operators from developing their business, only objecting where others have tried to use capacity that it has developed for itself. On this occasion there are no competing applications for the capacity we have developed and identified, and I hope we are able to have a more productive relationship going forward.

Yours sincerely

Ian Yeowart  
Managing Director

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<sup>1</sup> 10 out of 12 paths looked at

<sup>2</sup> ORR Freight train usage and performance 2020-2021 Q3

**GRAND UNION TRAINS LIMITED**

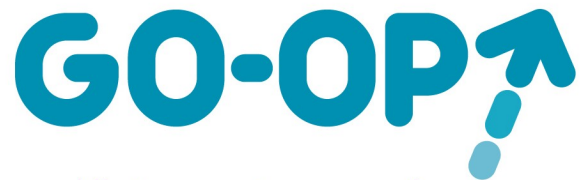
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a public transport co-operative  
run by passengers and employees

Gianmaria Cutrupi  
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20<sup>th</sup> April 2021

Dear Gian,

**Industrial Consultation - Grand Union Trains Wales, Section 17 Application, London Paddington-Carmarthen**

Thanks for inviting us to comment on this new proposal, and noting our interest in the extension of schedule 5 rights.

While the proposal to provide faster connections between London and Wales has clearly demonstrated its value to the public, there remains some difficulty with timetabling in the Swindon area given current levels of congestion. I'm afraid the times proposed present us with real difficulties.

- (i) The proposed 0559 CAR-PAD passes SWI at 0842, directly in front of the 0845 SWI-WSB. This service, although currently run by GWR, is one which it is hoped to link up with a GO-OP service from WSB- TAU, about which there is little time flexibility. The passenger benefit to GUTW's possible passengers therefore needs to be considered against the disbenefit to existing and future passengers to GWR/GO-OP, in the event of any late-running from Carmarthen (which, given the previous distance involved, is not unlikely).
- (ii) The proposed 0959 PAD-CAR passes SWI at 1049, directly competing with a standard-hour xx48 pattern you will be aware we are trying to develop for services via Melksham. Two GUTW paths per day are therefore likely to prejudice the development of a wider even-interval timetable, with positive passenger benefits across the entire Wessex region. This highlights the potential timetabling disadvantages of low-frequency irregular services. The structure of the standard hour pattern we are seeking is determined by existing Paddington - Devon services and would be hard to depart from.
- (iii) Ditto 1259 PAD-CAR passing SWI at 1351.

For these reasons we have to object to this proposal unless a different timing that leaves the xx48 path open is adopted.

Yours faithfully,

Alex Lawrie

Operations Director

GO-OP Co-operative Limited





# Grand Union

Alex Lawrie  
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Cc [REDACTED]

22 April 2021

Dear Alex,

## **Grand Union Trains – Carmarthen – Paddington consultation**

Grand Union is aware of Go-op's long standing ambitions to operate services in the Wessex area, but there is no record of any application having been made by Go-op to the ORR to introduce those services, and no detailed timetable is currently being developed with Network Rail.

The timetable that has been developed by Grand Union for 6 train pairs is fully compliant, and this application is for a smaller sub-set of those services. In addition, performance modelling has been undertaken on the 6 train pairs developed and the ORR has observed that: *"...the absolute potential performance impact of Grand Union's proposed service as modelled by Network Rail is less than we, and Network Rail, have accepted for other recent timetable changes on the route which have included greater numbers of additional services"*.

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# Grand Union

There is always 'difficulty' in timetabling additional trains onto a busy network, more so with trains traversing the main line and operating at less than line speed. In relation to the creation of an hourly 'clockface' timetable, Go-op will be aware that any track access contract will be for quantum rights, and not for specific departure times which, as well as being illegal, would significantly reduce timetabling flexibility.

Grand Union has a fully developed business plan which it has shared with the ORR. This includes detailed analysis of revenue development, undertaken in line with the expectations of the ORR following previous decisions and following a number of meetings with Grand Union and its consultants AECOM. This work identifies the NPA ratios and also values the specific passenger benefits that would arise from the introduction of its new services.

In the absence of a detailed timetable Go-op's view that Grand Union's paths are: *"likely to prejudice the development of a wider even-interval timetable with positive passenger benefits across the entire Wessex region"* is without foundation or substance, as such matters cannot be valued without detailed revenue development aligned to an emerging timetable.

Open access operators have only ever accessed the network with 'low frequency irregular services', it is the nature of the environment within which new entrants access the network. The services proposed offer significant economic benefits to many parts of South and South West Wales and has the support of the Welsh Government along with many members of the Senedd and Westminster MPs.

Yours sincerely

Ian Yeowart  
Managing Director

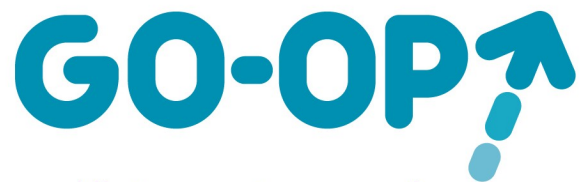
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a public transport co-operative  
run by passengers and employees

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27<sup>th</sup> April 2021

Dear Gian,

**Industrial Consultation - Grand Union Trains Wales, Section 17 Application, London Paddington-Carmarthen**

Thanks for inviting us to comment on this new proposal, and noting our interest in the extension of schedule 5 rights.

Following the construction discussions we have had with GUT, we are happy to support their proposal.

Yours faithfully,

Alex Lawrie

Operations Director

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23rd April 2021

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**Great Western Railway**

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Dear Gian,

**Industrial Consultation -  
Grand Union Trains Wales, Section 17 Application, London Paddington-Cardiff /  
Carmarthen.**

We refer to the Application Form and sought Track Access Contract provided by the above applicant, which was issued by Network Rail to industry for consultation on 22 March. This response forms the reply by First Greater Western Limited (GWR) to that consultation and takes cognizance of timetable information provided by Network Rail shortly afterwards. We note that Network Rail does not support the application.

Because of its confidential nature GWR will be providing commercial information separately to the ORR in relation to our view of the financial impacts of this application upon GWR, GUT, the rail industry as a whole, and on government subsidy levels.

**GWR objects in the strongest terms to this proposal**

1. GWR maintains its objection to this revised application by GUT, noting the decision of the ORR to refuse the previous application on the grounds of impact on Secretary of State funds, taking into account the absolute level of abstraction that would occur and the ongoing, long term precarious state of the economy since Covid.
2. Whilst the sought application is similar in many respects to that submitted before, and although GWR commented on that previous application, timed paths have since been identified as being potentially available for the proposed service. This provides the opportunity for further analysis and comment.
3. The applicant contends in its new application that six return train paths between Paddington and Cardiff identified in its previous application were in its view deemed to be both “fully compliant” and “acceptable in capacity and performance terms”. GWR does not take the same inference from the ORR decision as that taken by GUT and is of the view that the latest proposal contains serious inadequacies which do not appear to have been addressed by the applicant. In this respect the level of information provided to justify this application and seek consultee review remains incomplete, insufficient and inadequate.
4. GUT has now said publicly that it does not intend to commence operations in May 2022 however the application according to the form is for a track access contract from SCD 2022. Is this application still valid?

5.. The application according to the form is for a track access contract of twelve years duration based on investment. If this is with regard to potential investment in trains then the track access contract requires to be in three separate forms to meet the three needs:

(a) an initial contract expiring SCD 2024 for a Cardiff - London service based on hire of redundant electric train sets otherwise likely to be scrapped;

(b) a Supplemental Agreement to the track access contract (or a new Contract) commencing SCD 2024 with expiry SCD 2034 (or whenever the ORR determines) based upon a through Paddington - Carmarthen service utilising newly built bi-mode Class 80x; and

(c) a Supplemental Agreement with regard to expiry of the contract (or the validity of Severn Tunnel Junction calls and therefore abstraction rates) due to any investment by the operator itself in Severn Tunnel station or its environs.

#### Reliance on the paths derived in connection with the previous application

The applicant's latest submission appears to utilise a selection of the previously identified train paths, with an assertion that this revised level of service specification will minimise financial losses to the SoS and the effect on performance.

We believe this does neither as the paths have prime cherry picker business services in each peak, with a Paddington arrival at 0934, and an 1815 departure resourced off an arrival at 1729, both of which clearly consume capacity at Paddington and abstract funds greatly in the high peaks. (Defining the peak in Schedule 5 to avoid these services is not in the spirit in our view of the rationale for Table 2.1 nor does it highlight to reviewers the effect on the morning and evening peak of the aspirations).

No notional timetable was provided with the sought contract or application form, and it is clear that the contract as sought prevents an opportunity to permutate any four from the six paths potentially identified in each direction. This must hinder operational review, viability analysis and abstraction level discussion.

A Carmarthen service has since been provided but this is uneconomic in its use of rolling stock and train crew and if pared down to a Cardiff service has further inefficiency. Both implies a need to stable sets during the day for a time at each end or a need to change the specification.

Set out below are the GUT paths proposed against the current GWR service:

	GUT	GUT	GUT	GUT		Dec 2019 TT		GWR	GWR	GWR	GWR
Carmarthen	0559	0903	1403	1559		Carmarthen	d				
Cardiff	0734	1038	1538	1734		Cardiff	d	0724	1041	1554	1720
Paddington	0934	1231	1729	1927		Paddington	a	0914	1240	1741	1914
Paddington	0959	1259	1815	2015		Paddington	d	0948	1248	1816	
Cardiff	1150	1450	2006	2203		Cardiff	a	1139	1439	1959	
Carmarthen	1325	1625	2141	2338		Carmarthen	a			2151	

We cannot see any justification for these closely run GUT specified services where current and forecast demand shows they are not needed.

We understand that the paths identified previously were based against the May 2020 timetable. We believe that an application based on train paths narrowly derived from the May 2020 timetable is not credible when considered in the context of known future service change on the line of route and recent timetable analysis. We understand that the capacity and performance analysis undertaken by Network Rail in respect of the previous application may have only looked at the paths between Paddington and Cardiff. It has not been demonstrated that valid reliable paths exist for the full service proposal between Carmarthen and Paddington, or that the paths will still exist given Welsh

Government service aspirations which have only recently been shown to take Capacity Utilisation at points west of Severn Tunnel Junction (including Cardiff Central) to 90% and above.

Furthermore the economic assessment evaluated the GUT proposal in its end state of operating between Carmarthen and Paddington but did not consider whether the initial Paddington – Cardiff service, which could run in perpetuity if the applicant (having secured rights) decided to change intentions, meets the not primarily abstractive test, or worsens the overall impact on SoS funds. (In this respect GWR suggests that the contingent right contained within Schedule 5 in the sought contract to terminate services short in the timetable is removed from any contract determined.)

#### Existence of paths in future timetables

As stated above, any further application by GUT needs to take account of committed changes taking place on the line of route, some of which are still being worked on through industry timetable development processes. These changes have been specified and underwritten by funding specifiers. They comprise:

- the introduction of the full Crossrail service at the London end linked through to East Anglia likely to be at some point in time during the May 2022 timetable;
- to the west the upgrade of TfW services planned for December 2022;
- the introduction of enhanced services in the Greater Bristol area specified in GWR's DA3 franchise agreement, now planned for introduction from December 2021.

Both Crossrail full introduction and the TfW service upgrade are the subject of Event Steering Groups (ESG) currently underway. Both workstreams have identified issues over the adequacy of capacity in the area of relevant geography for the service levels specified by funders. Until both Event Steering Groups have concluded it is simply not possible to claim that there are paths for GUT aspirations which are fully compliant with these franchise/concession service obligations and “acceptable” in terms of capacity and performance.

The Wales ESG workstream has found particular challenges to accommodate the specified service developments on its geographical frame of reference west of Severn Tunnel Junction. These include the ability for Cardiff Central to accommodate all services planned from the Newport direction, noting that GWR has had to plan for extended dwell times of 8 or 9 minutes at Cardiff to ensure that a train terminating from Paddington formed of a 9 or 10 car Class 800 is clear and ready to run empty to its turnround location west of the station. It is clear that current Cardiff area contingency plans for late running are inoperable with an additional London service.

In addition the analysis work still being undertaken by Network Rail on behalf of the industry for the proposed Cardiff Parkway station already indicating that aspirations for additional worthwhile TfW services will need to be scaled back potentially to permit calls in remaining services at the proposed new station. As we have noted previously, taking all aspirations into account it would appear that the Capacity Utilisation Index would exceed 90% at several locations between Severn Tunnel Junction and Cardiff Central.

At the London end of the route the Crossrail ESG has seen the emergence of severe concerns over capacity utilisation and performance following the latest work undertaken in relation to the Concept timetable for through running via the Crossrail core. While this involves predominantly relief line operation west of Paddington, it inevitably affects the main lines given the needs to cross slow running freight movements into the yard at Southall, as well as possible additional congestion identified at Reading if Didcot - London services are terminated short and Crossrail services extended in their place.

The upgrade of services in the greater Bristol area will see the increase of Bristol – Gloucester local services from one to two trains per hour which join the GWML at Bristol Parkway and run on the densely trafficked two track section to Westerleigh Junction. The section east of Bristol Parkway to Didcot is already known for the challenge to accommodate and efficiently path the mix of passenger and freight traffic. Freight traffic has started to expand, one example being the restart of aggregates

traffic from Tytherington Quarry serving terminals to the east on the GW network. None of this has been developed through ESG work, so the effect has not been validated but it is clear from work undertaken on GWR's DA3 contracted enhancements that there is little if any scope for manoeuvre.

We do not believe that sufficient account has been taken of capacity west of Bristol Parkway through the Severn Tunnel, and the interaction with freight traffic (which if conveying Dangerous Goods carry their own operating restrictions on movement through the tunnel) have been adequately considered. There are known to be competing needs for the remaining capacity identified in long term plans. The overall capacity through the Severn Tunnel is a key constraint unlikely to be capable of improvement. Any capacity that does remain available at present has been identified in Network Rail and Wales Government strategic studies to be needed for additional services including provision of an improvement in frequency of Cardiff to Bristol centre to centre services which in turn enable new local stations in South Wales to be served appropriately. It is not yet clear whether the applicant's proposed operation will hinder realisation of this strategic vision.

Taking all this into account, with change occurring east of Reading, between Didcot and Bristol Parkway, and then west of Severn Tunnel Junction, it cannot be assured that the six pairs of train paths as identified would be available to GUT in future timetable expressions, or that the impact of their operation would be the same as previously assessed.

GWR took a whole industry view when agreeing to delay introduction of its enhanced North Downs service until the completion of major works at King's Cross and Gatwick so as not to chance the importation of a further additional performance risk to another operator. It is clear that nothing should be introduced that threatens the launch of the high profile through passenger running of the Elizabeth Line, the date of which is presently forecast sometime between May and December 2022. It is unlikely a major replatforming of Paddington will be able to be planned for mid timetable so GWR will be using all available space till December 2022.

It is our understanding that long term inclusion of the GUT services requires the use of Line 2 on Paddington approaches in the up direction. This has not been planned previously in the operation of the GWML. It also pushes GWR to the high numbered platforms at Paddington causing congestion in the throat as trains require a margin to cross to and from the main lines.

#### Safe and efficient operation of the proposed services

We maintain our objections to the proposal on the grounds of practicability and inflexibility. The applicant's case appears to rely solely upon the fact that train paths have been found between Paddington and Cardiff Central but fails to provide detail to demonstrate that his proposal is capable of being brought into operation along the basis he outlines.

At present Class 91/MkIV trainsets are not cleared to run on the GWML infrastructure. We have yet to see a Statement of Compatibility, or any evidence that this traction conforms with electrification and signalling infrastructure on the routes proposed.

We note also that the paths found in the previous application assumed that a Class 91 plus 7 passenger trailers/DVT would have SRTs equivalent to a Class 802 trainset. We note this assumption is as yet totally unverified for the GWML.

In particular the train paths in question are timed at 125mph, even for Class 91/MkIV operation. We would like to understand how this can be so given the requirements of the Network Rail Western Route Sectional Appendix which requires:

"On routes where ATP is fitted other than on the Main Lines between Reading West Junction and Didcot East Junction "the maximum speed for all trains not fitted with ATP must not exceed 110 mph at any point"

and

"Where the Permissible Speed [shown in Table A of this Appendix] is 100 mph or more, locomotive hauled trains worked by other than Class 67 locomotives must not exceed 95 mph at any point, except on the Main lines between Acton (4m 40ch) and Reading (35m 60ch)."  
[Elsewhere Class 67 hauled trains may run up to a maximum speed of 110 mph, where permissible speed allows]

We would like to understand how the applicant seeks to operate compliant train paths with Class 91 traction given the above stipulations.

There is understandable concern at GWR of the proposal of non-ATP fitted trains operating at line speed given the existence of a robust and reliable train protection system which every 125mph service uses east of Reading and west of Didcot at present. If ATP is to be fitted to Class 91s and MkIV DVTs, can they confirm that this technically challenging task will be achieved well before May 2022, to permit the necessary testing and commissioning for the trainborne equipment interface with the lineside infrastructure?

We would like to understand how the applicant intends to operate services at times when sections of the network are closed for essential maintenance and renewal, or indeed when perturbation occurs. We are concerned that any out of course event, such as an issue with electrification will lead to a GUT Class 91 powered service effectively blocking the route at some location as it cannot progress in the same manner as a bi-mode trainset. Such a situation will also occur if the 91 fails as the train has only one locomotive unlike the diesel HST, bi-mode 80x class or DMU / EMU fleets. Are standby diesels to be provided for speedy recovery?

With the need to maintain the network, when Swindon - Didcot is blocked the diversionary route is via Newbury and Trowbridge, or via Bath/Filton when Westerleigh is blocked, and when the Severn Tunnel is closed, via Gloucester. None of these routes are electrified: does the applicant propose only to offer services at weekends when the direct electrified route to South Wales is available? It is known that on 14 out of 52 weekends a diversion is necessary just for maintenance and renewals and that diversion on weeknights is often required. This is an ongoing, post electrification rate. It also takes no account of the practice of BTET ('blocked to electric traction') in Wales – where isolations are sought by NR for weekend engineering work west of the Severn Tunnel as a matter of course.

We continue to seek clarification on the proposed method of working at Cardiff Central for Class 91 powered trains terminating there from Paddington given the limited electrified infrastructure available west of the station. The paths have a 44 or 46 minute turnround at Cardiff which is likely to mean no platform will be available to facilitate a turn round without a shunt movement. It is therefore the case that a shunt to Brickyard sidings or Line A will be required, a move which Class 80x bi-mode trains undertake in diesel mode with the pantograph down in order to avoid dewirement of the station even though these sidings to the west are electrified. Clearly that facility is not available to a Class 91 operated service.

The Carmarthen service times provided to consultees by Network Rail following receipt from the applicant indicate Paddington turnrounds of 25 and 28 minutes in the morning and 46 and 48 minutes in the evening including in the evening peak for the 18.15 departure. This is of the same magnitude of turnrounds in any likely Cardiff service provision, including the 46 minute use of a platform at Paddington during the heart of the evening peak.

We seek confirmation of the resource plan proposed by GUT in respect of Paddington turnarounds. The timeframe cited above would be insufficient to schedule a Physical Needs Break for the driver, so can the applicant confirm that their traincrew resource plans will take account of this? We have already pointed out that the layout at Paddington and its approaches is extremely restrictive and is unable to support any proposal to move stock out of the station empty for short periods before forming a subsequent working.



### Maintenance of the trainsets for the proposed services

The application refers to the intention to base the trainsets in Wales: but there is a complete absence of any detail on where and how maintenance and servicing activity will be carried out, noting that there are no electrified maintenance or stabling locations on the GWML in Wales. The capability and reliability of electric rolling stock is markedly reduced if regular servicing and maintenance is undertaken at non electrified locations. Hitachi depots are full (we have to run empty mileage between Wales and Bristol for overnight maintenance because of this) and there is it is believed little scope at other depots such as Canton to master a new sophisticated traction type, or indeed to keep going a complex legacy traction package discarded from the route from which it was designed. There is no range of peak services operated by the applicant providing an opportunity to cancel or shortform elsewhere when overnight maintenance fails to deliver.

There is nothing in the application to indicate that such maintenance activity will be provided in time for the commencement of services or how reliability and capability will be ensured if servicing is planned at non electrified locations. Once again, we would be interested to understand how GUT intends to overcome that risk, particularly when bringing AC only trains into service at a busy location like Cardiff Central, as their proposal requires. In addition to the use of diesel traction with adequate performance characteristics to reach Cardiff Central there is likely to be a need for time in the platform to create brake air pressure if, say, a shunting locomotive has been used to bring the Class 91 under the wires.

We note that the applicant seeks to maintain its rolling stock “during the day, rather than at night, so offering significant work for the chosen train maintainer at times of low use and making more efficient use of capital equipment.” We question the rationale and validity of that statement given that daytime maintenance implies that the operator will need more trains than is necessary on an efficient basis, given its services planned are all daytime workings. It will still need to stable its stock overnight somewhere, and we know TfW Rail Services is having significant difficulty finding stabling locations (existing and after investment) in Wales for its own service increase.

### Performance impacts

The applicant bases much of their claim to performance impact on the basis that the impact of the six services is less than “the forecast performance impacts of -6.9% by the introduction of ‘Elizabeth Line’ services.”, and that a reduction to four pairs of paths would see modelled impact reduce further.

The applicant will be aware through its participation in the Crossrail Event Steering Group that the -6.9% impact arising from Elizabeth Line service introduction has not been deemed as acceptable and active steps are now being taken to consider options to improve the situation including service withdrawals..

We believe that the proposal brings its own risk to performance in that the efficient operation of the railway, particularly east of Reading relies upon the operation of traction with consistent performance capability. GWR has focussed operation on 800 and 387 rolling stock to deliver consistent performance results on this busy corridor, and that will be worsened by occasional use of Class 91 traction each day especially as there is no equivalent resource to effect swift rescue in the event of failure.

There is no scope (unlike with GWR's far wider spread of similarly resourced trains and a major depot at North Pole) to facilitate step up during times of perturbation. Will GUT have a hot standby at Paddington and in South Wales ready to step in? If so, where will they be held?

It does not always follow that a smaller number of services has a better performance rate. A higher frequency permits cancellation to restore the service quickly. A restricted service does not, and there is greater risk that a train will be run late as a result, especially one relying on tickets with limited availability, designed to serve stations with limited frequency. The pressure not to cancel one of these limited trains will have a disproportionate negative effect on the rest of the network.

If a reduced service is to be provided the viability of poor resource utilisation has to be questioned. It is worth seeking to ascertain from the applicant whether this is envisaged as a short term fix before a greater frequency is sought to improve viability.

The Class 91/Mark IV trainsets were designed specifically for operation on the ECML and are now over 30 years old. These locos and trainsets not required by LNER have been out of service in storage for at least 12 months, which means that subsequent reliable operation can prove to be challenging. This type of locomotive/rolling stock combination requires constant attention by specially trained staff who are experienced in their maintenance. How the potential operator intends to deal with this issue is currently unclear. Is there certainty yet over which trainsets would be used, whether refurbishment would be required and when sets would be delivered and tested?

### The applicant's supporting case

The narrative supporting this latest application is a mix of assertion and implication with which GWR has become familiar over time. We do not intend to refute each of the applicant's erroneous claims except to say that GUT continues to state incorrectly that South Wales failed to benefit from the franchise timetable specification planned upon the completion of GW Route Modernisation in December 2019.

In the December 2019 timetable the additional off peak Paddington – Bristol train paths are used in the peak to provide additional services between Paddington and South Wales, providing additional capacity when demand is at its highest, at peak times. There is no viable economic justification for diverting the off peak services to Cardiff as an extra trainset and additional traincrew would be needed and these would not be covered by any new income they generate. These additional GWR Bristol via Bristol Parkway services relieve the existing South Wales services providing in effect additional capacity through to South Wales. The applicant also overlooks the fact that the franchise had already doubled the frequency of service between London and Cardiff in 2004 within existing fleet levels without on-rail competitive action.

The application claims to seek to “significantly improving the passenger experience overall by not calling trains at the various Thames Valley stations of Swindon, Didcot and Reading.” This overlooks the significant benefit that exists for rail passengers from South Wales travelling to destinations other than London by way of interchange, particularly at Reading. However this contention is wholly undermined by the GUT service calls at Bristol Parkway: no reason is given for this, so it may be assumed GUT needs Bristol Parkway calls to maintain viability by overtly abstracting revenue on flows within England, thereby further weakening the income to the Secretary of State of franchised services and reducing through London - South Wales seating on the new GUT trains. It may be that as a result franchise services covering South Wales and intermediate stations become unviable leading to severe loss of journey opportunity.

We point out that the ORR rejected the previous application on the basis of regard to the impact on Secretary of State's funds, noting the absolute level of abstraction. The ORR was clear in making its decision that the meeting the NPA test is a necessary but not sufficient condition to approve an open access application.

The applicant claims that with “a reduced number of 4 return services that [NPA] ratio improves [from 0.45] to 0.69, ..... and do not yet include the further generation that will accrue by the opening of Cardiff Parkway”. The ORR has already said that for the Carmarthen service the NPA ratio is irrelevant as it is the absolute level of abstraction (and hence subsidy pot required from the SoS) that is key.

It would be useful to understand from the applicant how they have calculated the revised NPA ratio claimed. In addition we would welcome detail of the evaluation they have undertaken in respect of the generative potential of Cardiff Parkway, given in the first instance it is likely to abstract London

business from Cardiff Central: this point is already acknowledged by the separate promoters of the Parkway station proposal.

Given the statements in the application we would welcome confirmation that any discussions between GUT and external parties or the promoters of Cardiff Parkway are fully aware of the emerging challenge to capability of delivering the full Wales franchise requirement driven by a timetable that contains both the Cardiff Parkway aspiration and the open access aspiration.

The applicant claims that their proposal for four trains each way between West Wales and Paddington “will go some way in compensating for the Welsh Government’s estimated loss to Wales of £700m by the DfT decision not to electrify the route west of Cardiff”. How can a service resulting in extra burden on the public purse “compensate” for losses? We suggest that a better outcome for rail customers would be delivered through a programme of rail electrification as now presaged in the Traction Decarbonisation Network Strategy issued by Network Rail. This will clearly include completing electrification of the SWML through to Swansea, which could be used by a range of passenger and freight operators and services, and more readily contribute to the 2050 net carbon neutral obligations. In the meantime with the GWR fleet enhanced to run at high speed in diesel mode no loss of service between London and South Wales has in practice resulted from the rescoping of electrification.

The applicant appears insistent that all other main line rail corridors in the UK are somehow deficient with the absence of competition, and that the market is failing the customer given their now somewhat dated experience of operating Open Access services on the ECML. We would contend that the ECML may be unique in the GB rail industry, particularly given the size of markets along the length of the 400 mile ECML (and branches) which are much larger and more evenly distributed than demand on several other mainline routes. The ECML model which supports several competing train operators does not necessarily transfer to other main lines: justifying this application by comparing the calculated abstraction rate with those experienced on the ECML is invalid as the markets and off rail competition levels on the GWML are not comparable. First has always said that its growth from open access on the ECML will come from airline passengers and not from existing rail custom.

GUT has indicated that investment is planned at Severn Tunnel Junction both regarding car parking and the road connector from the motorway, without indicating the scale of its capital contribution, if any, to these proposals. GUT envisages Severn Tunnel Junction becoming a ‘parkway’ style station for the South East Wales area, which is already presaged in the Burns Commission report in relation to reducing road traffic congestion within Wales. As GUT has included these base assumptions as a fundamental element of justifying its application for access right, what assurances are there that both the connection to the motorway and the car park scheme are funded and planning approved? Finally we do not understand how GUT’s proposal to provide a link road from the M4 motorway will benefit customer from Chepstow and points north. Is it the intention to serve the M48 rather than the M4 as quoted in the application? Both offer different catchment areas and access off the two motorways is constrained by geography.

GUT proclaims that it will not penalise customers for purchasing on train and will encourage it for the convenience of the customer however with the exception of Carmarthen, Llanelli and Severn Tunnel Junction the stations GUT have applied to stop at are gated (and even these may become so) thus customers will have to have tickets before boarding to reach the platforms.

GUT is said to be introducing a simpler fares structure than that offered by GWR, but they are accepting National Rail fares, so actually they are adding to existing fares’ complexity by introducing dedicated fares into the existing fares mix. They may offer fewer price points on the advanced purchase (AP) fares, but in practice the customer is offered one AP price for each seat purchased on each train, so in any meaningful sense this claim is nonsense.

GWR maintains its objection to this proposal

GWR therefore maintains its objection to this proposal. We believe that:

- the level of abstraction will still affect the funding position of the Secretary of State to an intolerable degree;
- the level of additional demand that can be generated is overstated;
- there is no demand that cannot be met economically and effectively by the franchise;
- there is insufficient Network capacity at key points; and
- the operation is not shown to be deliverable (and that significant risks have been identified);

Yours sincerely,

Rob

**Robert Holder | Network Access Manager | Great Western Railway**  
1 Milford Street | Swindon | SN1 1HL

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# *Grand Union*

Robert Holder  
Network Access Manager  
Great Western Railway  
1 Milford Street  
SWINDON  
SN1 1HL

Email: [REDACTED]

Cc [REDACTED]

10 May 2021

Dear Robert,

## **Grand Union Trains – Carmarthen – Paddington consultation**

I am in receipt of your consultation response dated 23 April, and I understand you have also further communicated with the ORR. I asked if you would provide a copy of that further communication on 4 May but have had no reply to that request.

It is noted that many of the issues raised in your response regarding capacity and performance have already been addressed both in earlier correspondence and in the creation of a conflict free timetable alongside performance analysis. Further comments on abstraction, the NPA test and other commercial matters have also previously been addressed.

I note GWR suggest that the proposed Grand Union timetable is 'uneconomic' in the use of stock and train crew. Grand Union is content with its business case and the straightforward nature of the diagrams makes it hard to understand what GWR is trying to drive at.

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Registered Office: Fulford Lodge, 1 Heslington Lane, Fulford, YORK, YO10 4HW -  
A Company registered in England & Wales No: 11408012 -  
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# Grand Union

The issue of ATP on the GWML is a situation that both Eversholt Rail and Grand Union have been aware of since Grand Union made its initial application. A significant amount of work has already been undertaken, and, as on previous applications, if approved, Grand Union expects the ORR to include certain conditions to any track access contract.

I am sure the irony of your comment regarding any “*out of course event*” is not lost on you or others at this particular time. With the current shutdown of the 80x intercity services between Wales (and elsewhere) and London due to issues with the fleet, had Grand Union already been on the network, the Class 91 and Mark 4s would be providing the only direct intercity services on the route. Bi-mode has proven to be of no benefit during this situation.

Diesel haulage of Class 91s and Mk IV coaches has been a routine operation on the ECML, so there is no reason to suppose that Network Rail will not be able to do this on the Great Western route.

It appears GWR is taking a ‘damned if we do – damned if we don’t’ attitude to Grand Union in respect of the potential performance impacts of the introduction of the limited service proposed. GWR is now suggesting that the potential performance impacts of 4 train pairs might be greater than 7 train pairs, stating: “*It does not always follow that a smaller number of services has a better performance rate*”. This needs to be communicated to Network Rail. In the 20+ years of looking to develop new open access services there has never been a situation where the introduction of more services has seen a beneficial impact on performance modelling as opposed to a reduced number of services.

As has been consistently pointed out, these very arguments apply to all of First Group’s ECML open access services, especially its new Edinburgh service which was proposed to start in 2019. A further irony of course is that with the current 80x issue, none of them would be operating.

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# Grand Union

GWR suggests that the Grand Union application contains “erroneous claims”. Perhaps GWR would like to point out what “erroneous claims” are referred to, not least in the Grand Union initial GWR consultation response<sup>1</sup> reproduced below:

*With road travel from South Wales having to contend with the very congested M4 corridor, and air travel non-existent, GWR has been a monopoly supplier of fast travel to London for many years, and this can be seen in the pricing structure in place and its unwillingness to develop this part of the UK. InterCity rail services between London and South Wales have also been ‘downgraded’ over time with the addition of more and regular stops in the Thames Valley, meaning much longer journey times and significant passenger churn on the train detracting from the long-distance passengers’ experience.*

*This lack of competition can be seen in the large growth in road coach services, where there are over 30 services a day (each way) between Cardiff and London<sup>2</sup>, far greater than the number of coach journeys normally seen elsewhere for journeys of this nature. It is also instructive that the advent of on-rail competition on the Oxford - London corridor has seen coach competition fall dramatically.*

*The Grand Union application itself focuses not only on this monopoly, but also on the lack of development by GWR during its tenure of not expanding services<sup>3</sup> to South Wales, especially beyond Cardiff, and instead concentrating on doubling the frequency of trains to Bristol from London. The focus of the GWML development appears to have been driven by the DfT through its series of generous direct awards, and although there has been an increase in the number of services with the introduction of Class 800/802 trains, the pattern remains sub-optimal, particularly for South Wales.*

I think the issue of GWR trying to defend its monopoly on the GWML by suggesting the ECML is somehow ‘unique’ may well have something to do with First Group operating a significant number of open access services of its own on the ECML – soon to be 12 return pairs, three times the number applied for here by Grand Union.

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<sup>1</sup> Dec 2019

<sup>2</sup> Daily services by Megabus and National Express between Cardiff and London – sample: 18 Nov 2019

<sup>3</sup> Additional token peak trains excepted

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# Grand Union

I am also unsure as to what ‘airline’ passengers First Group is targeting between Hull and London. Irrespective of ‘airline’ passengers, the East Coast Trains approval has an absolute level of abstraction of £26m, while this Grand Union application has a level significantly less than that, both in total, and per train pair. The size of the South Wales coach market is also significant, with the number of seats provided (pre-pandemic) being equivalent to around 11 Airbus A319/320 aircraft. Coach passengers are particularly price sensitive.

Passengers overall are extremely sensitive to price, and in the Transport Focus Autumn Survey of 2019, Value For Money (VFM) for open access operator Grand Central was 75%, whilst for GWR it was 53%. This clearly shows that the ORR’s role as the Competition Regulator has delivered and continues to deliver for those using the many competitive ECML services, driving growth and passenger satisfaction. Grand Central consistently outscores other operators on VFM by a significant margin.

Recent Transport Focus research, where a panel group were asked: what would make them more likely to travel by train? - 85% (the top ranked response) stated “*if fares were cheaper*”. This is a clear example of the power of competition ‘in the market’, and the significant benefit for passengers, taxpayers and the environment that competition brings. The benefits can clearly be seen on the ECML where there are soon to be 22 open access services in each direction.

The Grand Union proposal is designed to offer passengers to and from South East and West Wales extra and new direct services and also give them a choice of operator for the first time in 25 years. There will also be significant further benefits, not least lower fares<sup>4</sup> and new journey opportunities, but also valuable new employment along with important economic improvements.

In a recent speech to the rail industry<sup>5</sup>, Keith Williams, Independent Chair of the Government Rail Review said creative thinking was now critically needed around how

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<sup>4</sup> First’s [East Coast Trains] submission to ORR indicates that the key characteristics of the service are low fares – CH2M report 1501-2016

<sup>5</sup> National Rail Recovery Conference 25 February 2021

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# ***Grand Union***

the private sector could be incentivised to expand the industry's revenue base, pointing out that airlines had been defined by more competition and greater emphasis on customer engagement following previous significant major setbacks for the sector. It is an established fact that the various open access operators on the ECML brought that type of creativity to the industry, significantly expanding the industry's revenue base.

Unfortunately, none of that 'creative thinking' seems in evidence at GWR, where the continuing GWR objections point only to a long-term monopoly operator seeking to protect itself from what is very limited competition, with hypocritical responses surrounding its own open access services, while often contradicting itself in its pursuit of retaining that monopoly. Its responses and its view on the introduction of Grand Union dedicated fares are classic examples of doublethink.

Not once, in any of its long drawn out replies has GWR suggested it could 'rise to the challenge'. Instead, it has sought the refuge of the monopolist in seeking to ensure it retains its long standing and lucrative operation on the GWML without any competitive introduction.

Yours sincerely

Ian Yeowart  
Managing Director

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**From:** Ian Yeowart [REDACTED]  
**Sent:** 31 March 2021 12:08  
**To:** 'Gianmaria Cutrupi'  
**Cc:** Reed, David; Track Access Managers  
**Subject:** RE: Industrial Consultation - Grand Union Trains Wales, Section 17 Application, London Paddington-Carmarthen

Thanks Gian.

We note the observation and confirm the paths have been developed collaboratively with NR and in line with others contractual obligations.

Regards

Ian

Ian Yeowart MCILT  
Managing Director

**Grand Union Trains Ltd**  
Riverside Lodge  
Naburn Lane  
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York  
YO19 4RB



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---

**From:** Gianmaria Cutrupi [REDACTED]  
**Sent:** 31 March 2021 11:43  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** FW: Industrial Consultation - Grand Union Trains Wales, Section 17 Application, London Paddington-Carmarthen

OFFICIAL

Good morning Ian,

Please find below an observation that Heathrow Rail would like to submit for the industry consultation.

Kind regards,  
Gian



**Gianmaria Cutrupi**  
Customer Manager (Aspirant Open Access)  
System Operator  
[REDACTED]

---

**From:** DD - Heathrow Rail [REDACTED]  
**Sent:** 31 March 2021 10:14  
**To:** Gianmaria Cutrupi [REDACTED]  
**Subject:** RE: Industrial Consultation - Grand Union Trains Wales, Section 17 Application, London Paddington-Carmarthen

Classification: Internal

Dear Gianmaria,

Heathrow Airport - HAL Rail have no specific objections to this application, but submit an observation that this application should not interfere with timetabling on the GWML that could affect services to Heathrow Airport either now or in the future, this should be taken in relation to the various capacity studies that have been completed.

Kind regards,

**Mark Fox**

Interim - Rail Regulation and Access Manager  
Engineering & Baggage

Heathrow Rail – Ensuring the best rail service for Heathrow, its passengers and colleagues.

**Heathrow**

**Heathrow Airport**

The Compass Centre, Nelson Road  
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---

**From:** Ian Yeowart [REDACTED]  
**Sent:** 07 April 2021 16:34  
**To:** [REDACTED]  
**Cc:** 'Gianmaria Cutrupi'; Reed, David  
**Subject:** RE: Industrial Consultation - Grand Union Trains Wales, Section 17 Application, London Paddington-Carmarthen

Jonathan,

Further to your query, the timetable has been produced in collaboration with Network Rail and is conflict free. Unfortunately the same cannot be said of a number of services of other operators within the timetable which have an impact on SRTs.

In respect of the item below it clearly refers to locomotive hauled diesel services where the maximum speed was 95mph save for the Class 67, and is from a time when the route was not electrified. A class 91 is not a straightforward locomotive hauled service as it has a DVT which gives it the same operating characteristics as an HST. As a class 91 would be new to the route we appreciate MTREL bringing this to our attention so that it can be addressed and changed if necessary to reflect the traction if services are approved.

In respect of ATP fitment, Grand Union is aware of the requirements of the Route.

Regards

Ian

Ian Yeowart MCILT  
Managing Director

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**From:** Gianmaria Cutrupi [REDACTED]  
**Sent:** 06 April 2021 12:04  
**To:** [REDACTED]  
**Subject:** FW: Industrial Consultation - Grand Union Trains Wales, Section 17 Application, London Paddington-Carmarthen

OFFICIAL

Hi Ian,

Please find below the MTREL speed restriction queries on the Class 91s for Carmarthen.

Kind regards,  
Gian



**Gianmaria Cutrupi**  
Customer Manager (Aspirant Open Access)  
System Operator

---

**From:** Jonathan James  
**Sent:** 06 April 2021 09:55  
**To:** Gianmaria Cutrupi  
**Subject:** RE: Industrial Consultation - Grand Union Trains Wales, Section 17 Application, London Paddington-Carmarthen

Hi

Some further questions have been raised about the operation of Class 91 sets, with reference to the following restrictions, and how they relate to the proposal, in particular maintaining SRTs, and whether these restrictions are reflected in the draft timings presented recently:-

## STANDARD SPEED RESTRICTIONS

When trains are running late, Drivers must endeavour to make up time, with due regard to the braking power of the locomotive and train and provided all speed restrictions are strictly complied with and the maximum speeds indicated are not exceeded.

Except where shown otherwise in Table A, trains must not exceed the speeds set out below:

	Speed mph
1. On double lines when passing through junctions between parallel lines or through crossover roads, or when entering or leaving Relief, Goods lines or Loops, Locomotive, Carriage, Platform or Bay lines	15
2. On Single lines when passing through Loop Connections	15
3. When passing over Goods Lines or Loops on which Permissive Working applies	15

### LOCOMOTIVE HAULED TRAINS – MAXIMUM PERMITTED SPEED

Where the Permissible Speed shown in Table A of this Appendix is 100 mph or more, locomotive hauled trains worked by other than Class 67 locomotives must not exceed 95 mph at any point, except on the Main lines between Acton (4m 40ch) and Reading (35m 60ch).

Class 67 hauled trains may run up to a maximum speed of 110 mph, where permissible speed shown in Table A of this Sectional Appendix allows.

These restrictions are due to signal spacing

### TRAINS NOT FITTED WITH AUTOMATIC TRAIN PROTECTION (ATP) – MAXIMUM PERMITTED SPEED

Trains not fitted with ATP may travel at permissible speeds between Reading West Junction and Didcot East Junction on the main lines. Over all other sections of line shown in Table A of this Sectional Appendix as being ATP fitted, the maximum speed for all trains not fitted with ATP must not exceed 110 mph at any point.

This restriction is due to design limits of TPWS lineside equipment for trains fitted only with that system.

**Western Route GI - Dated: 26/08/2017**

Thanks

**Jonathan James**  
**Head of Contract Management**  
MTR Elizabeth line



63 St Mary Axe, London, EC3A 8NH



---

**From:** Jonathan James  
**Sent:** 29 March 2021 14:13  
**To:** 'Gianmaria Cutrupi' [REDACTED]  
**Subject:** RE: Industrial Consultation - Grand Union Trains Wales, Section 17 Application, London Paddington-Carmarthen

Hi

Okay – thanks for the update

**Jonathan James**  
**Head of Contract Management**  
MTR Elizabeth line



63 St Mary Axe, London, EC3A 8NH



---

**From:** Gianmaria Cutrupi [REDACTED]  
**Sent:** 29 March 2021 14:01  
**To:** Jonathan James [REDACTED]  
**Subject:** RE: Industrial Consultation - Grand Union Trains Wales, Section 17 Application, London Paddington-Carmarthen

OFFICIAL

Hi Jonathan,

Thank you for getting in touch.

GUT stated train crew arrangements will be developed in detail once they have a contract in place – they will be able to reply in full after receiving a formal response on the consultation.

Many thanks,  
Gian

 **Gianmaria Cutrupi**



Customer Manager (Aspirant Open Access)  
System Operator



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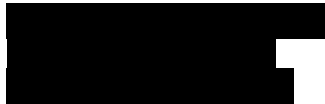
**From:** Jonathan James [REDACTED]  
**Sent:** 29 March 2021 08:56  
**To:** Gianmaria Cutrupi [REDACTED]  
**Subject:** RE: Industrial Consultation - Grand Union Trains Wales, Section 17 Application, London Paddington-Carmarthen

Hi

Can you confirm train crew arrangements. We assume they will be double crewing the trains to allow for PNBs on the first two trips?

Thanks

**Jonathan James**  
**Head of Contract Management**  
MTR Elizabeth line



63 St Mary Axe, London, EC3A 8NH





**TRAFNIDIAETH  
CYMRU  
TRANSPORT  
FOR WALES**

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St. Mary's House  
47 Penarth Road  
Cardiff  
CF10 5DJ  
[tfwrail.wales](http://tfwrail.wales)

Gianmaria Cutrupi  
Customer Manager  
Network Rail

By email: [REDACTED]

22 April 2021

Dear Gianmaria

### **TfW Rail Ltd response to Grand Union Trains Section 17 consultation**

Thank you for consulting us on the latest proposals from Grand Union Trains (Grand Union) to submit a Section 17 application for a new Track Access Contract. This response is from TfW Rail Ltd (TfW Rail).

There are some aspects of the proposals that we are keen to discuss with Grand Union as its plans develop.

Grand Union is targeting a start date of May 2022 which would require swift mobilisation. The proposals indicate a desire to recruit staff locally, which could mean recruiting trained staff currently employed by other operators, including TfW Rail. We would like work with Grand Union as far as possible to mitigate any potential impacts that this could have on the delivery of existing train services.

As with its previous proposals, Grand Union has expressed its intention to stable and maintain trains in South Wales. Existing stabling and depot capacity is currently at a premium and we are keen to understand how Grand Union's plans can be aligned with the current and future stabling and depot requirements of other operators including TfW Rail. We would welcome discussions with Grand Union on this.

ORR's assessment of Grand Union's previous application demonstrated that a certain level of revenue abstraction from existing operators would be expected, and we anticipate that to be the case with the new proposals as well. Such impacts on TfW Rail might be offset to an extent by the creation of new connecting journeys onto Grand Union services and in station access charges to call at TfW Rail's stations.

There is an Event Steering Group (ESG) for the December 2022 Timetable, and paths to support Grand Union's proposals have been identified by Network Rail in its Concept Train Plan. The ESG will consider potential capacity and performance impacts as part of this work and we are pleased with progress to date.

TfW Rail looks forward to engaging with Grand Union on points that we have raised.

Yours sincerely

**Colin Lea**  
Planning and Performance Director



# ***Grand Union***

Colin Lea  
Planning and Performance Director  
TfW Rail Ltd.  
St Mary's House  
47 Penarth Road  
Cardiff  
CF10 5DJ

[REDACTED]

Cc: [REDACTED]

26 April 2021

Dear Colin,

## **Grand Union Trains – Carmarthen – Paddington consultation**

Thank you for your response to the consultation for the introduction of a small number of new intercity services between South Wales and London.

As you are aware the application has the support of the Welsh Government and many members of the Senedd and Westminster MPs, along with support from Transport for Wales (TfW).

The majority of our discussions so far have been with TfW, but we have been pleased with the various positive discussions we have had and continue to have with TfW Rail. As we have discussed, we are aware of the concerns that surround staff recruitment, and we plan to have on-going discussions with TfW Rail to ensure future staff recruitment meets the requirements of the businesses delivering train services. As we are all aware this is an on-going process rather than a one-off process for the delivery of new services.

### **GRAND UNION TRAINS LIMITED**

Riverside Lodge, Fulford, YORK, YO19 4RB -  
Registered Office: Fulford Lodge, 1 Heslington Lane, Fulford, YORK, YO10 4HW -  
A Company registered in England & Wales No: 11408012 -  
[www.granduniontrains.com](http://www.granduniontrains.com)

# *Grand Union*

The stabling and maintenance of services has been under constant review since the application was first submitted, and we continue to explore options to reduce the amount of empty running that may be required in the short term. To this end we are grateful for the continuing dialogue with TfW Rail as we seek to finalise that plan. In the medium to longer term of course the plan is for the new fleet to be maintained by the supplier.

While the modelling suggests that there is a degree of revenue abstraction to TfW Rail, as the ORR guidance and previous decisions has noted, generation increases as new services become established, and so any modelled impact on established operators reduces over time.

It is pleasing to note that TfW Rail also acknowledges that there are a number of factors which 'offset' abstraction such as station access charges and better connectivity into new services driving growth. Ticket commission is also a factor.

We have been pleased to engage with many colleagues in South Wales, and Grand Union is a long standing member of the Wales ESG, where output and co-operation has been particularly positive to this date.

Yours sincerely

Ian Yeowart  
Managing Director

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**From:** Gianmaria Cutrupi [REDACTED]  
**Sent:** 08 April 2021 15:29  
**To:** [REDACTED]  
**Cc:** Reed, David; Track Access Managers  
**Subject:** FW: Industrial Consultation - Grand Union Trains Wales, Section 17 Application, London Paddington-Carmarthen 2303a21

OFFICIAL

Good afternoon Ian,

Please find Transport Focus observations in response to the industry consultation below.

Kind regards,  
Gian



**Gianmaria Cutrupi**  
**Customer Manager (Aspirant Open Access)**  
System Operator  
[REDACTED]

---

**From:** John Sears [REDACTED]  
**Sent:** 08 April 2021 14:10  
**To:** Gianmaria Cutrupi [REDACTED]  
**Subject:** Re: Industrial Consultation - Grand Union Trains Wales, Section 17 Application, London Paddington-Carmarthen 2303a21

Gian,

Thank you for sending Transport Focus details of the latest application by Grand Union Trains for rights on the GWML. They note that:

it replaces the last application, o/r 2708a20, received on 27/8/19, which itself replaced o/r 1806b20, received on 18/6/19;  
this version seeks rights, valid for 15 years, for services as outlined in the table below, ref. no. 3:

ref. no.	date of appl.	start of rights	quantums	Welsh terminus	timetable pattern	stock	calls <sup>1</sup>
1	27/8/19	SCD 2021	7SuX/6SuO	CDF	clock-face	Class 91+Mk4	BPW, STJ, NPT
		within 2 years of SCD 2021	14SuX/12SuO	LLE		Class 802	BPW, STJ, NPT, CDF, SWA
2	6/5/20	PCD 2021	7SuX/7SuO <sup>3</sup>	CDF	clock-face <sup>4</sup>	Class 91+Mk4	BPW, STJ, NPT
		late 2023 or 2024 <sup>2</sup>		CMN		Class 802	BPW, STJ, NPT, CDF, SWA, LLE
3	22/3/21	SCD 2022	4/every day	CDF	within 16 mins. of standard pattern	Class 91+Mk4	BPW, STJ, NPT
		SCD 2024		CMN		Class 802	BPW, STJ, NPT, CDF, SWA, LLE

p  
Note 1: will add Cardiff Parkway once open

*Note 2: December 2023 in the draft TAC*  
*Note 3: SuO quantum is described as “slightly reduced” in the Form P, but the number in Table 2.1 is seven*  
*Note 4: but “not key to operation”*

Transport Focus has no comments to make in addition to those in its reply to the previous application on 11/9/19, o/r 2708a20.

Regards,

John Sears.

Tel. [REDACTED]

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