

Grand Union Trains London-Carmarthen Industry Consultation Responses

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From: Transport Focus

Sent: 06 May 2022 11:03

To:

Subject: Re: Industry Consultation - Grand Union Trains, Section 17 Application, London Paddington-Carmarthen

Hi

In my view this is a strong case and clearly highlights the potential benefits to passengers that choice can bring, as demonstrated on the ECML. We support this proposal.

Best regards

Rail technical advisor

Transport Focus

Grand Union

Transport Focus

Copy:

Network Rail

21 June 2022

Dear

Industry Consultation - Grand Union Trains, Section 17 Application, London Paddington-Carmarthen

Thank you for your response and support for the introduction of the proposed services to improve links between South West Wales and London.

We will shortly be submitting the formal application to the ORR and would be happy to field any questions you may have regarding the proposal.

Yours sincerely



Managing Director

GRAND UNION TRAINS LIMITED

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Registered Office: Fulford Lodge, 1 Heslington Lane, Fulford, YORK, YO10 4HW -

A Company registered in England & Wales No: 11408012 -

www.granduniontrains.com



Network Rail

By email:

3 June 2022

Dear

**Transport for Wales Rail Ltd response to Grand Union Trains Section 17
consultation**

Thank you for consulting us on the new proposals from Grand Union Trains (Grand Union) to submit a Section 17 application for a new Track Access Contract. This response is from Transport for Wales 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 during the currency of the May 2023 Timetable, which would require swift mobilisation. They have indicated a desire to recruit staff locally. This 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 and committed future 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 in the area is currently at a premium, including Cardiff Canton depot which is now at capacity. 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 look forward to discussing this with Grand Union.

We are interested to understand more about Grand Union's proposals for a new station at Felindre on the Swansea District Line, and we would like to request details of the proposed operating model when available.

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 a Wales Route Event Steering Group (ESG) for the December 2023 Timetable, and paths to support Grand Union's proposals have been identified by Network Rail in its Concept Train Plan. The ESG will continue to consider potential capacity and performance

impacts as part of this work.

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

Yours sincerely



Planning and Performance Director

Grand Union

Planning and performance Director
Transport for Wales

Copy:
Network Rail

21 June 2022

Dear

Industry Consultation - Grand Union Trains, Section 17 Application, London Paddington-Carmarthen

Thank you for your response regarding the introduction of the proposed services to improve links between southwest Wales and London and we look forward to continuing our positive relationship.

Following a number of further discussions with rolling stock providers Grand Union has made alterations to its application to address concerns from a number of consultees including yourself.

While it had always been our intention to introduce the new service in two parts, initially using cascaded rolling stock, it has become increasingly clear that suitable 'off lease' rolling stock would be difficult to obtain in the timescales envisaged. The loss of significant time during the pandemic has seen much of the IC225 fleet we had hoped to acquire go from storage for breaking, and while a number of vehicles are still

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Grand Union

operational there is little prospect of them becoming available within the time we had identified.

As a result, Grand Union has made some significant changes to its Form P submission to withdraw the first phase Cardiff services and instead seek access rights for the full service using new build from the beginning. Delivery times for new build will ultimately depend on the chosen manufacturer, but we are advised this could be between 24 and 36 months from order. As a result, Grand Union is now targeting service introduction within the timetable that starts in December 2024.

This will also give us more time to plan and deliver trained staff to address the concerns of TfW in relation to its existing staff. We will look to keep you fully apprised of those plans should approval be received for this important service and will be updating colleagues at the ESGs regarding our changed timescales.

In respect of stabling and maintenance provision, with a new build fleet we are looking to operate with a full train service agreement and will be discussing with the chosen supplier how and where service provision will be undertaken. As trains will be Wales based, these discussions will also involve colleagues at TfW and Network Rail.

We will be happy to discuss our plans for Felindre, along with a more holistic discussion around overall service provision and connectional arrangements and look forward to continuing our positive relationship.

We will shortly be submitting the formal application to the ORR and would be happy to field any questions you may have regarding the proposal.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Jones', is written over a light blue horizontal line.

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Grand Union

Managing Director

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From:
To:
Cc:
Subject: RE: Industry Consultation - Grand Union Trains, Section 17 Application, London Paddington-Carmarthen
Date: 06 June 2022 16:15:18
Attachments: [image005.png](#)
[image006.png](#)
[image001.png](#)

Hi

MTREL have no significant objections to the Section 17 application being made by Grand Union Trains.

We would however like to see details of the contingency plans.

We would also like to understand what rolling stock is to be used for the new service.

We are aware that Network Rail is progressing with a study to determine how capacity will be allocated between operators when there is engineering work taking place (i.e. a 2-track railway) to facilitate the construction of Old Oak Common station. Any reduction in Elizabeth line train paths on Western Route could result in a reduction in the service across central London and through to Abbey Wood and Shenfield. The capacity allocated to MTREL on Western Route needs to be sufficient to enable a viable train service to operate along the whole of the Elizabeth line. We appreciate that this study has not concluded yet and suggest that Grand Union Trains are offered contingent rights at weekends until this has been finalised.

Thanks very much

Head of Contract Management

MTR Elizabeth line

63 St Mary Axe, London, EC3A 8NH

Grand Union

Head of Contract Management

MTR Elizabeth line

Copy:

Network Rail

21 June 2022

Dear

Industry Consultation - Grand Union Trains, Section 17 Application, London Paddington-Carmarthen

Thank you for your response regarding the introduction of the proposed services to improve rail links between southwest Wales and London.

Following a number of further discussions with rolling stock providers Grand Union has made alterations to its application to address concerns from a number of consultees including yourself.

While it had always been our intention to introduce the new service in two parts, initially using cascaded rolling stock, it has become increasingly clear that suitable 'off lease' rolling stock would be difficult to obtain in the timescales envisaged. The loss of significant time during the pandemic has seen much of the IC225 fleet we had hoped to acquire go from storage for breaking, and while a number of vehicles are still

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Grand Union

operational there is little prospect of them becoming available within the time we had identified.

As a result, Grand Union has made some significant changes to its Form P submission to withdraw the first phase Cardiff services and instead seek access rights for the full service using new build from the beginning. Delivery times for new build will ultimately depend on the chosen manufacturer, but we are advised this could be between 24 and 36 months from order. As a result, Grand Union is now targeting service introduction within the timetable that starts in December 2024.

I hope this addresses the concern you have expressed regarding rolling stock and our overall plans.

In respect of contingent rights, the ORR has always noted the particular risks faced by open access operators in developing and funding their businesses, and we would look to the ORR to acknowledge that position if the application is successful.

We will shortly be submitting the formal application to the ORR and would be happy to field any questions you may have regarding the proposal.

Yours sincerely



Managing
Director

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31st May 2022

Dear

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

This letter constitutes XC Trains Ltd.'s formal response. XC Trains Ltd currently is unable to support Grand Union Trains Ltd.'s application, however we hope that Grand Union Trains Ltd will be able to address the following questions with a view to working towards a position of acceptance by XC Trains Ltd.

Questions

- Will both interim and future rolling stock operated be fitted with Automatic Train Protection and thus able to achieve the operational 125 MPH maximum along the Great Western Mainline?
- Can Grand Union Trains Ltd please provide details of the timing load's that have been used in the creation and validation of pathways?
- In the unlikely event of a train failure does Grand Union Trains Ltd have contingency plans for rescue of any failed service?
- Can Grand Union Trains Ltd provide details of the maintenance and stabling facilities to be used at the Wales end of the route for the interim rolling stock please?
- Grand Union Trains Ltd provide XC Trains Ltd with details of the proposed schedules (F3 print format would be best if possible, please)?

Summary

In Summary XC Trains Ltd are currently unable to support Grand Union Trains Ltd.'s application due to further information being required, however we fully acknowledge the progress made noting the removal of the Cardiff to Bristol "Superfasts" along with the ongoing work with Network Rail in the creation of pathways, we hope to this end that Grand Union Trains Ltd will be able to engage with XC Trains Ltd allowing us to progress to point where acceptance is possible for XC Trains Ltd.

Yours sincerely,

Track Access Manager

Part of Arriva – a  company

XC Trains Limited, Registered in England. Registered No: 04402048.
Registered Office: Arriva Plc, 1 Admiral Way, Doxford International Business Park, Sunderland, SR3 3XP

Grand Union

Track Access Manager
Cross Country Trains

Copy:

Network Rail

21 June 2022

Dear

Industry Consultation - Grand Union Trains, Section 17 Application, London Paddington-Carmarthen

Thank you for your response regarding the introduction of the proposed services to improve rail links between southwest Wales and London.

Following a number of further discussions with rolling stock providers Grand Union has made alterations to its application to address concerns from a number of consultees including yourself.

While it had always been our intention to introduce the new service in two parts, initially using cascaded rolling stock, it has become increasingly clear that suitable 'off lease' rolling stock would be difficult to obtain in the timescales envisaged. The loss of significant time during the pandemic has seen much of the IC225 fleet we had hoped to acquire go from storage for breaking, and while a number of vehicles are still

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Grand Union

operational there is little prospect of them becoming available within the time we had identified.

As a result, Grand Union has made some significant changes to its Form P submission to withdraw the first phase Cardiff services and instead seek access rights for the full service using new build from the beginning. Delivery times for new build will ultimately depend on the chosen manufacturer, but we are advised this could be between 24 and 36 months from order. As a result, Grand Union is now targeting service introduction within the timetable that starts in December 2024.

You tabled a number of specific questions which are addressed below:

- Will both interim and future rolling stock operated be fitted with Automatic Train Protection and thus able to achieve the operational 125 MPH maximum along the Great Western Mainline?

New rolling stock will be fitted with the necessary equipment to enable it to operate at full line speed on the GWML. At present that is ATP.

- Can Grand Union Trains Ltd please provide details of the timing load's that have been used in the creation and validation of pathways?

The timetable has been developed using an 802 timing load.

- In the unlikely event of a train failure does Grand Union Trains Ltd have contingency plans for rescue of any failed service?

Once a new build has been agreed we will, as part of our preparation for service introduction develop contingency plans. The new build trains will be bi-mode.

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- Can Grand Union Trains Ltd provide details of the maintenance and stabling facilities to be used at the Wales end of the route for the interim rolling stock please?

It is too early to determine that as it will be part of the arrangements with the chosen train manufacturer. It is our intention to have trains maintained under a full train service agreement.

- Grand Union Trains Ltd provide XC Trains Ltd with details of the proposed schedules (F3 print format would be best if possible, please)?

If you would care to contact me directly I will make the prints that I have available. The services are included in the CTP under development on the GWML.

I hope this addresses the points you have raised regarding rolling stock and our overall plans.

We will shortly be submitting the formal application to the ORR and would be happy to field any further questions you may have regarding the proposal.

Yours sincerely



Managing Director

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Department
for Transport

Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: 07876 130488

E-Mail:

1 June 2022

Network Rail Customer manager

by email:

Dear ,

Industry Consultation - Grand Union Trains, Section 17 Application, London Paddington-Carmarthen

Thank you for sharing the open access industry consultation with the Department regarding Grand Union Trains' (GUT) current track access application to provide five return services per day between London Paddington and Cardiff Central from May 2023, with an extension to Carmarthen from May 2025. We have carefully considered the Form P produced by GUT in preparing this response and are aware of the extensive work that Network Rail has previously devoted to the prior application. We note in particular, for context, Network Rail's conclusion on the previous GUT application that on performance grounds Network Rail was unable to support GUT's application.¹

As you are aware, the Department for Transport has previously provided a response to both Network Rail and the ORR regarding the previous track access applications submitted by GUT for services between London Paddington and Carmarthen. Many of the points contained in this letter are consistent with the contents of the Department's previous responses and we consider them to be still valid.

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 lower service frequency now proposed by GUT will result in a change in our previous finding of the services being primarily abstractive, with absolute abstraction remaining significant. The GUT proposal largely serves Cardiff and Swansea with onward journeys to Carmarthen (and intermediate stops) two years after the start of operations, as was the case with its previous proposal. The current franchised operation from London Paddington runs 2 trains per hour to Cardiff with 1 train per hour continuing to Swansea. There are already around 25 trains per day from Carmarthen to Swansea with 18 continuing to Cardiff. The proposed GUT service will therefore only incrementally increase frequency without significantly boosting connectivity. In addition, we are also aware of Great Western Railways plans to improve their services to/from/within Wales, which we believe would offer a significant passenger benefit, as well as taxpayer benefit in comparison to GUT's plans. We will make further representations to the ORR on the abstraction elements to inform the consideration of this application given the significant potential taxpayer implications.

¹ Network Rail letter to the Office of Rail and Road re *Grand Union Trains Section 17 Application between London and Carmarthen: Capacity and Performance Assessment*, 11 December 2020

We note the comments made by GUT in the Form P regarding capacity. We are clear that capacity and performance must be thoroughly tested by Network Rail, as was the case in the prior GUT applications. The Department therefore asks and expects Network Rail to ensure that it has conducted a robust and detailed examination of the operational consequences of this updated application, most particularly regarding capacity and performance, so that a robust timetable is delivered. We are clear in particular about the importance of the performance implications of the application being carefully considered, with all relevant capacity issues considered (i.e. as well as capacity between London Paddington and Cardiff Central, appropriate platforming assessments) and performance issues fully considered. Moreover, in consideration of the current track access application and GUT's proposed rolling stock, we expect Network Rail to take into account the specific plans GUT has in place to address the various protocols that require all trains exceeding 100mph to be fitted with operational Great Western-specific automatic train protection (ATP) (or requiring a specific exemption).

The Department would further like to highlight that the new proposal by GUT includes the introduction of new build bi-mode sets on the Great Western Mainline (GWML). If these are to be Class 802s as proposed in the previous GUT application, we believe that further analysis will be important to confirm that the addition of further sets will not exacerbate the problem of previous electromagnetic compatibility issues experienced with the 80x fleet (accepting that the current Class 80x fleet will be fitted with passive filters and ACPTU cards to reduce train emissions).

The application also raises numerous concerns from a HS2 perspective, which need to be considered fully:

- The proposal suggests that GUT trains would not stop at the new mainline Old Oak Common (OOC) station. Although OOC would not be in use at the time of GUT's proposed service commencement in 2023, analysis in relation to the mainline platforms indicates that the infrastructure at OOC would not be able support a mixed stopping pattern with some services stopping and others not. The evidence therefore clearly suggests that all services will need to stop at OOC once the new platforms are completed, and we strongly believe that there would need to be a consistent approach to this across all operators, including for any new open access services.
- Any proposals to add to the capacity of trains utilising the GWML in the Thames Valley will be problematic during the construction of OOC station, particularly as additional GWML network enhancements within the Thames Valley area may also be required to support the OOC construction programme and work is likely to last through to the late 2020s. While the Department is trying to coordinate decisions to ensure that there is only minimal disruption, the industry will be looking to remove some services to facilitate construction works and therefore adding to the potential services seems inappropriate and will make the task of prioritisation more difficult.
- Between 2023 and the end of 2028, work will significantly ramp up with access to Paddington via the GWML expected to be unavailable for extended periods. The HS2 project also has ambitious targets to transport material to and from work sites via rail rather than road. Should this application be successful this service would incur disruptive access requests from the outset and for several years afterwards, incurring additional cost to the taxpayer funded HS2 project by way of compensation payments.
- Full consideration must also be given to the impacts of any timetable recast associated with OOC construction and the constraints that will exist both during construction and at end-state in any decision on the proposed GUT application. on the extent to which

the new station will impact the whole of the Western timetable is current under discussion, and a significant recast is anticipated. Timetable options are currently being worked on by Network Rail, and this work is being discussed at industry groups. The Department would therefore expect that this is factored into any decision which would further impact on the Western timetable, particularly as there will be more demand to run services from operators than there will be available capacity during construction of OOC and the entry of a new operator will only further increase this issue.

- Whilst the proposed GUT application does not clarify the fleet maintenance depot strategy, it is worth highlighting that with direct access to North Pole Depot being impacted during OOC construction, availability of depot spare capacity may, at times, be at a premium on the wider Great Western network as IET sets are stabled and maintained at alternative locations.

Additionally, I would also note that, while the application references investment in 6.1 of the Form P most particularly in relation to Felindre station, as well as unspecified “further significant investment”, it in no sense gives the required “full details of the relevant enhancements schemes” required; we note the absence of any specific information on timescales and outputs – and can see absolutely no basis in the application at all for a 20 year access contract in any event. We consider it helpful that Network Rail is transparently clear about what it considers the investment requirement is underlying this application in order to inform the future decision-making process by the ORR.

In closing, we note the significant importance of Network Rail conducting a robust and detailed performance and capacity assessment, building on the previous assessment of GUT’s applications, to ensure a strong evidence-based approach to this application.

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

Yours sincerely,



**Deputy
Director**

cc. Director, Rail Strategy and Analysis

Grand Union

Deputy Director
Department for Transport

Copy:

Network Rail

21 June 2022

Dear

Industry Consultation - Grand Union Trains, Section 17 Application, London Paddington-Carmarthen

Thank you for your response regarding the introduction of the proposed services to improve rail links between southwest Wales and London.

Following a number of further discussions with rolling stock providers Grand Union has made alterations to its application to address concerns from a number of consultees including yourself.

While it had always been our intention to introduce the new service in two parts, initially using cascaded rolling stock, it has become increasingly clear that suitable 'off lease' rolling stock would be difficult to obtain in the timescales envisaged. The loss of significant time during the pandemic has seen much of the IC225 fleet we had hoped to acquire go from storage for breaking, and while a number of vehicles are still

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Grand Union

operational there is little prospect of them becoming available within the time we had identified.

As a result, Grand Union has made some significant changes to its Form P submission to withdraw the first phase Cardiff services and instead seek access rights for the full service using new build from the beginning. Delivery times for new build will ultimately depend on the chosen manufacturer, but we are advised this could be between 24 and 36 months from order. As a result, Grand Union is now targeting service introduction within the timetable that starts in December 2024.

You tabled a number of specific issues which are addressed below:

There is a particular definition of 'primarily abstractive' within the context of new services, and this application is not primarily abstractive, having a generation/abstraction ratio of 0.42. In respect of absolute abstraction, this application has abstraction levels at the lower end of previous approvals given by the ORR.

You state that the proposal largely serves Cardiff and Swansea, but this is not correct. Grand Union propose to accelerate the build of a new parkway adjacent to the M4 at Felindre which was proposed by the Secretary of State for Wales. Grand Union's services do not plan to call at Swansea but will call at Llanelli and Carmarthen providing an important link for this part of southwest Wales.

Grand Union's services will significantly boost connectivity by reducing journey times from southwest Wales to Cardiff and on to London by around 20 minutes. This is achieved by our investment in the new parkway station removing the reverse at Swansea and by operating non-stop between there and Cardiff. The work undertaken on the feasibility study undertaken for the Secretary of State for Wales for this new station identifies the importance of reduced journey times in attracting vehicles off the motorway. It is exactly the type of private investment the railway is seeking.

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I note your comments about Great Western Railways (GWR) plans to improve their services to/from/within Wales, but there is little evidence of that within the recent announcement of GWR's extended management contract or in its response to this consultation. There is little for Wales and there is only a very small amount (£2 million) of investment planned in some undefined accessibility improvements and funding for a new 'Community fund'. It is unclear what the defined passenger benefits are and how these continuing direct awards are anything other than a disbenefit to the taxpayer.

The position regarding capacity and performance has been thoroughly tested, and the ORR made the position clear in its determination of January 2021. Since then, a number of intercity services have been withdrawn, and the issue of performance was picked up at a Western ESG where Network Rail identified this would have a positive effect on Grand Union's services. It is not in Grand Union's interests that anything other than a robust timetable is introduced.

The introduction of any new trains to the network follows a robust procedure, and manufacturers are well versed in the disciplines required to secure acceptance. We are a little surprised though that the DfT would highlight a route cleared new build as being of particular concern, as they have operated well since introduction (excluding the major issue with fatigue and stress corrosion that is now being addressed).

Once Old Oak Common (OOC) station comes on stream Grand Union would naturally wish to call at what will be one of the largest rail hubs in Europe. Grand Union would be looking for the industry to work collaboratively on a changing timetable in the same way that it delivered a significant improvement with the concept train plan for the WCML which was able to accommodate all aspirations alongside improved performance.

It remains disappointing that the DfT continually refer to 'additional cost to the taxpayer' from the introduction of new open access services when the evidence is quite the opposite. As the Managing Director of LNER has pointed out, the presence

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of 3 open access operators has focused LNER commercially, and it is therefore no surprise that the growth in long distance traffic on the ECML far outstrips the growth on other routes where no competition exists. After 25 years as a monopoly supplier, it would not be unreasonable to think that GWR could themselves rise to that commercial challenge!

Keith Williams, Independent Chair of the Government Rail Review, recently commented: *“..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 such as the 2001 9/11 terrorist attacks and the Icelandic volcanic eruption in 2010”*.

There is little sign of that from the response made by GWR, which is in direct comparison to what is happening on the ECML where there are competitive services.

The evidence on the ECML clearly highlights that some competition will stimulate the market and help drive passenger numbers upwards more quickly than where there is no competition, which would also mitigate any issues over abstraction levels as growth for the incumbent operator is accelerated.

From a taxpayer perspective, in the particular case of HS2, the cost has risen significantly since it was first presented to Parliament. In 2012, the new high-speed line was estimated to cost approximately £34bn; in 2015 that figure had risen to £55.7bn; however, in September 2019 former HS2 chair Allan Cook published a “stocktake” of the project, which found it would cost closer to £88bn. Current official budget for HS2 is currently £98bn. Phase one of HS2 gained Royal Assent in 2017; phase 2a gained Royal Assent in February 2021. Lord Berkeley (formerly deputy head of the review into HS2) added: *“I therefore conclude that the HS2 phase 1 bill received Royal Assent only because ministers misled Parliament multiple times, either by omission or misinformation, and that this misleading has continued with phase 2a – for a project now expected to cost £142bn, 10 times the original estimate.”*

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The point is, there is no clear figure for the ever escalating cost of HS2 and its ever changing outputs, and to try and suggest a taxpayer impact from Grand Union when set against this major overspend is not credible. The £4bn overspend on the Elizabeth Line could be added to that list, none of which appear to be of any benefit to the people of southwest Wales (as identified by the Welsh Government).

Grand Union's fleet strategy will now be tied into its new build where the service provision will be provided via a train service agreement. The maintenance is planned to be located in Wales.

Grand Union's plans are clear and further investment will be introduced following discussions with Network Rail, TfW and the ORR should the application be successful. If services are approved the investment criteria will be clear from an ORR decision. As we have stated we are prepared to undertake the station build 'open book' for the ORR so that actual spend can be monitored to better inform the ORR for its future funding decisions.

We will shortly be submitting the formal application to the ORR and would be happy to field any further questions you may have regarding the proposal.

Yours sincerely



Managing
Director

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Gianmaria Cutrupi
Network Rail

By Email

1st June 2022

Dear Gian

Grand Union Trains Section 17 Application

Thank you for consulting Freightliner Group Grand Union Trains latest Section 17 Application to operate 5 daily return services between London Paddington and Carmarthen.

While Freightliner are generally supportive of improving connectivity, we have the following comments and concerns relating to this application:

Routing

Intermodal Growth

Intermodal traffic has been a significant growth area for the railway in recent years, and continues to grow in line with forecasts. To this end, Network Rail have invested in delivering improvements to the Great Western Main Line between Didcot and South Wales to permit the movement of high cube containers, in line with customer demand. As such Freightliner have aspirations to route all traffic via the Main Line between Didcot and Patchway to allow deployment of W10 gauge wagon/box combinations.

Performance

As a result of the GWR 'Bristol Superfast' services appearing in the timetable, intermodal traffic is forced to run via Chippenham, Bath and Filton Abbey Wood as sufficient space is not available in the timetable to run via Hullavington. This leads to performance issues in the Bristol area with long intermodal trains having to negotiate slow speed complex junctions with insufficient standage available to allow regulating decisions to be made. Freightliner and GWR have been working together to seek to reroute services via Hullavington in order to improve performance in the area.

Capacity

Freightliner would, therefore, seek confirmation that while compliant paths have been found in the current timetable structure for the services proposed here, this does not come at the expense of the ability to route freight services via Hullavington. This is particularly critical given the regulating locations on this route, at Bristol Parkway, Hullavington and Chipping Sodbury, are not long enough to allow regulation of a commercially viable intermodal service.

Planning Values

Recent capacity analysis work carried out in relation to the upcoming Port Talbot resignalling scheme has shown that in many locations in the area the current Train Planning Rules values do not adequately represent the margins actually required. Freightliner would therefore seek confirmation that, with

the increased values Network Rail are expected to propose, the paths identified can still be accommodated alongside all existing train slots.

Length of Contract

While understanding the reasoning behind the 20 year contract proposed by Grand Union Trains, Freightliner have concerns over a contract of this length, as this would be far in excess of other privately funded operators operating on this route.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Matthews', written over a horizontal line.

Chris Matthews
Timetable Strategy and Rail Industry Manager
Freightliner Group Limited

Grand Union

Timetable Strategy and Rail Industry Manager
Freightliner Group Limited

Copy:

Network Rail

21 June 2022

Dear ,

Industry Consultation - Grand Union Trains, Section 17 Application, London Paddington-Carmarthen

Thank you for your response regarding the introduction of the proposed services to improve rail links between southwest Wales and London.

I note that a number of your queries are directed to Network Rail, and no doubt they will respond directly.

I would however update you on our current position and following a number of further discussions with rolling stock providers Grand Union has made alterations to its application to address concerns from a number of consultees regarding its rolling stock strategy.

While it had always been our intention to introduce the new service in two parts, initially using cascaded rolling stock, it has become increasingly clear that suitable 'off lease'

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rolling stock would be difficult to obtain in the timescales envisaged. The loss of significant time during the pandemic has seen much of the IC225 fleet we had hoped to acquire go from storage for breaking, and while a number of vehicles are still operational there is little prospect of them becoming available within the time we had identified.

As a result, Grand Union has made some significant changes to its Form P submission to withdraw the first phase Cardiff services and instead seek access rights for the full service using new build from the beginning. Delivery times for new build will ultimately depend on the chosen manufacturer, but we are advised this could be between 24 and 36 months from order. As a result, Grand Union is now targeting service introduction within the timetable that starts in December 2024.

You did comment about the length of the contract sought and thank you for understanding the rationale behind it. Our application includes, for the first time from any open access operator, significant infrastructure investment with a planned new station and a significant upgrade at one other. The new station proposed at Felindre was initially put forward by the Secretary of State for Wales, and Grand Union is pleased to offer real private investment for its build which will significantly benefit the Swansea area and the further parts of southwest Wales.

We believe that this initiative plus the significant investment proposed in new rolling stock justifies the award of a 20 year contract.

Yours sincerely



Managing Director

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**GWR Response to NR's Consultation
re GUT's Application for a TAC Commencing SCD (May) 2023.**

(at 01 06 22)

Dear Gian,

Thank you for this consultation.

GWR objects to Approval of this application.

This is on economic, operability and market need grounds.

In addition we note that the application is not supported by Network Rail.

The application has no material dissimilarity from the application already made by the same applicant declined by the Office of Rail and Road. There is nothing in this version of the application that overcomes the factor cited by the Office of Rail and Road for declining the application, and there has been no material change so far as GWR can see in the ORR's Guidance to Approval of Track Access Agreements or to the statutory duties of the ORR. In addition none of the industry's operational concerns have been met. Market need for additional services and products has declined, and the industry has concentrated reduced resources on where demand requires them.

This is the third application for more or less the same service and as there is again no detail provided on practicalities there is now increased concern regarding whether introduction as applied for is feasible.

GWR's objection is driven by the following:

1: Ticket revenue abstraction is again identified as being exceptionally high in volume causing severe damage to the funds of the SoS for the railway as a whole, and risking the viability of GWR's service to customers on that line of route and to others;

2: None of the elements of the suite of concerns voiced re the operation appears to have been rectified. Firm right to electric 125mph traction and timings is again sought on a route requiring diesel haulage on diversionary routes (the Wales and Western Region is blessed with such routes) and ATP fitment on its core. No information is again provided regarding maintenance, disposition of stock overnight and during the day or of ancillary movements. A notional timetable has again not been provided;

3: We showed in previous consultations for more or less the same product that there was no material latent demand to tap and that new sites merely abstracted current rail revenue. The same is true again regarding this application and applies equally to sites on the Swansea District Line which the applicant now intends to use forgoing the major city of Swansea.

This application is for

- (a): a service from Cardiff to London from May 2023;
- (b): a service from Carmarthen to London from May 2025; and
- (c): a twenty year contract.

GWR objects to all three factors.

The proposed Track Access Contract outlines:

- 1: 5 return tpd every day London Paddington and Cardiff Central from May 2023 with 125mph stock (firm right to CI91, Driver Van Trailer and nine Mk IV);
- 2: extension to Carmarthen omitting Swansea from May 2025 with 802 stock;
- 3: Calling at Llanelli, Cardiff Central, Newport, Severn Tunnel Junction, Bristol Parkway, London Paddington as well as at Gowerton / West Wales Parkway and Cardiff Parkway;
- 4: Duration 20 years due to investment in station infrastructure in Wales. (5 is the max normally permitted by the ORR unless investment needs to be protected.)

NR has identified paths (and has included in Wales and Crossrail Concept Timetables) but used to say performance will suffer. This now may be dampened with GWR's Superfasts not able to run in current paths due to Crossrail led changes to the timetable in the London area. The ORR in the previous similar application said that performance was acceptable but that abstraction would damage DfT finance critically.

There is no Economic Equilibrium Test this time as the facility has been discontinued. That (at the time) permitted (and required) GWR to provide a full economic and business analysis. It also required the DfT to do the same. This economic and business analysis applies to the application being consulted now, and GWR is prepared to provide an update where appropriate where market conditions have changed in the light of Covid changes to habits and needs, or where the applicant has adjusted the application.

GWR remains conscious that the ORR's "Not Primarily Abstractive" test is still germane, and updated GWR analysis bearing in mind changes to GWR's timetable still show massive abstraction from existing and forecast GWR revenue. We are conscious that a contract commencing May 23 and running for twenty years is intended to run almost completely in CP7 and later control periods (and under GBR umbrella) such that charges throughout and access circumstance need to be made on that basis.

In summary GWR has proved to its own satisfaction that moira shows mega-abstraction with little if any generation, and that GWR is providing competitive price points to London to fill empty seats caused by deterioration on shorter distance flows (so fares action by GUT will not generate), that the new stations seem designed primarily to reduce car travel in Wales and will not generate new London journeys (particularly as our analysis shows rail already has normal London market share in these areas) but may abstract from current railheads served by GWR, and that five trains per day is not sufficient an uplift in capacity (especially when layout is pseudo First Class density) to make a difference. In the early years the new trains effect is a bonus for GWR which will further hamper any GUT growth generation.

(Redaction)

There is an as yet unresolved safety issue re 125mph stock without ATP on ATP safeguarded routes. Without an ORR derogation 125mph stock not fitted with ATP is limited to 110mph. GWR has seen no advice that a derogation is provided or sought or that ATP fitted stock is intended to be used from May 23.

There are no diversionary routes for an electric only service.

The ORR has confirmed all things being equal it will Approve only if existing rights (like GWR's) are honoured and assumed to be extended in duration;

We have seen no evidence of financial investment by the applicant in rail, station or interchange infrastructure. This casts doubt on claimed infrastructure investment both for market generation and for a twenty year contract.

There remains a concern re maintenance and stabling of sets. It is known through Wales ESG work that investment has had to be made to find new stabling sites and new maintenance facilities for TfW services, and that GWR's 80x depots are already full requiring day in day out long distance ancillary movements.

No timetable has been provided as part of the consultation. What trains does the applicant intend timetabling from May 23? Do these fit paths previously identified by NR and are they consistent with paths pencilled in in those areas under Wales and Crossrail Western ESG Concept Train Plans. What traction is to be used? Where will it be maintained and stabled? What step up capability will exist at each end regarding stock and crews? How will failures be rescued? Does the applicant expect GWR to convey its customers when the main electrified route is blocked for any reason or if it has a train cancellation? There are only five trains per day planned. Will the applicant allow heavy crowding on its services (said to be formed with stock in pseudo first class layout) on Event days or will it cease trading to release valuable paths at Cardiff and through the limited capacity Severn Tunnel for high volume GWR Class 387 trains?

How does the applicant intend to manage construction and opening of the new station at Old Oak Common? Paths will be restricted during RoU for construction both under two track and all line block scenarios. Will the applicant seek to continue trading in such circumstances or aid with high volume stock the conveyance of the huge numbers of people that will need conveying through to an alternative London terminus? The first all line block is planned to occur whilst the applicant has trains meeting a firm right to Class 91 traction (and where in the application form diesel stock is not said to be available until May 2025), and formed of pseudo first class layout limiting capability and capacity. Once open the station capability is such that in the peak if one train calls then all trains call. Does the applicant intend calling or waiting outside?

Removal of Swansea from the proposed Carmarthen service means there is no obvious point for lengthening a train from the small train that the signalling at Carmarthen requires.

How will performance of the initial stock be protected once cut over to bi-mode (as per the application form) is in sight (i.e. virtually immediately) as it is usually the norm that stock to be withdrawn is not usually able to be kept up to scratch?

The lack of certainty expressed in the application form ("off lease 125mph rolling stock") over rolling stock puts into question reliability of introduction.

We would like to know why Network Rail does not support the application. The application form does not state the reason even though the applicant is asked.

Are there construction, lease and maintenance contracts in place regarding rolling stock?

Will recruitment of crews and other staff threaten GWR establishments?

Yours sincerely,

Grand Union

GWR

Copy:

Network Rail

21 June 2022

Dear

Industry Consultation - Grand Union Trains, Section 17 Application, London Paddington-Carmarthen

Thank you for your response regarding the introduction of the proposed services to improve rail links between southwest Wales and London.

Following a number of further discussions with rolling stock providers Grand Union has made alterations to its application to address concerns from a number of consultees including yourself.

While it had always been our intention to introduce the new service in two parts, initially using cascaded rolling stock, it has become increasingly clear that suitable 'off lease' rolling stock would be difficult to obtain in the timescales envisaged. The loss of significant time during the pandemic has seen much of the IC225 fleet we had hoped to acquire go from storage for breaking, and while a number of vehicles are still operational there is little prospect of them becoming available within the time we had identified.

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As a result, Grand Union has made some significant changes to its Form P submission to withdraw the first phase Cardiff services and instead seek access rights for the full service using new build from the beginning. Delivery times for new build will ultimately depend on the chosen manufacturer, but we are advised this could be between 24 and 36 months from order. As a result, Grand Union is now targeting service introduction within the timetable that starts in December 2024.

You tabled a number of specific issues which are addressed below:

The application is markedly different from the previous application and the reason for the previous rejection has been addressed by a number of changes. Grand Union has acknowledged the rolling stock concerns and has taken the decision to begin services later using new build bi-mode rolling stock. Maintenance of the trains will be via a full train service agreement and will be undertaken in South Wales. Changes include a new station at Felindre – adjacent the M4, significantly reduced journey times to southwest Wales, improved on-board comfort with bigger, more comfortable seats, and a redefined first class to attract back business customers.

It has come as a surprise to note that GWR's response states it has in effect 'given up' on growing back the service into Wales. This is in direct contrast to how the ECML is operating and indeed First Group's own new open access service on that route has been introduced only recently.

The performance of the ECML supports comments recently made by Keith Williams, Independent Chair of the Government Rail Review, where he 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 such as the 2001 9/11 terrorist attacks and the Icelandic volcanic eruption in 2010"*.

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This is further supported by LNER Managing Director David Horne who recently stated *“And uniquely on the East Coast, rail users can choose between franchised services and those provided by now three open access operators. This has meant that, for many years, railway people on the East Coast have been incredibly focused on rail’s competitive position and on attracting customers”*.

The evidence on the ECML clearly highlights that some competition will stimulate the market and help drive passenger numbers upwards more quickly than where there is no competition, which would also mitigate any issues over abstraction levels as growth for the incumbent operator is accelerated.

With First Group operating two successful open access services of its own, it is hard to conceive that it does not possess the ability to match what LNER has achieved on the ECML.

Grand Union’s services will significantly boost connectivity by reducing journey times from southwest Wales to Cardiff and on to London by around 20 minutes. This is achieved by our investment in the new parkway station at Felindre removing the reverse at Swansea and by operating non-stop between there and Cardiff. The work undertaken on the feasibility study undertaken for the Secretary of State for this new station identifies the importance of reduced journey times in attracting vehicles off the motorway. It is exactly the type of private investment the railway has been seeking.

The position that GWR has currently adopted is a further consequence of continuing direct awards which provides no incentive to improve and grow, this is clearly evidenced in GWR’s response. It is unclear what the passenger benefits are and how continuing direct awards are anything other than a disbenefit to the taxpayer.

Contrary to GWR’s position parts of ‘the industry’ have significantly risen to the challenges faced, with traffic in some cases higher than pre-pandemic levels. This is more obvious on the ECML where 3 open access services compete with LNER, who,

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to its credit, has acknowledged the competitive pressure of these operators has kept it incredibly focused.

The generation figure on this application is significant, and the absolute levels of abstraction are now at the lower end of decisions that have been made previously by the ORR. It is unclear why competition could risk GWR's service to customers when elsewhere it has the opposite effect. As mentioned previously LNER acknowledges that the 3 open access services have caused it to focus very much on its customers with constant improvements in its train services.

It remains disappointing that GWR continue to refer to "*concerns about the funds of the Secretary of State*" from the introduction of new open access services when the evidence is quite the opposite. This also doesn't appear to have been a concern for First Group when it introduced its own open access service on the ECML.

As the Managing Director of LNER has pointed out, the presence of 3 open access operations has focused LNER commercially, and it is therefore no surprise that the growth in long distance traffic on the ECML far outstrips the growth on other routes where no competition exists. After 25 years as a monopoly supplier, it would not be unreasonable to think that GWR could at least rise to that commercial challenge!

The surprising admission from GWR that it can find no material latent demand should also be of concern to the DfT and the people of Wales. Despite what is clearly happening elsewhere, particularly on the ECML, GWR does not see any way in which it can induce demand, it has given up!

Operating as it does on a fixed fee management contract, the concerns many have that direct awards are a lazy means of securing services is laid bare by this admission. GWR clearly has no interest in developing or promoting its services because it has little incentive to do so.

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If services are approved by the ORR, then planned investment in new infrastructure and rolling stock will form part of the contract discussions. The new parkway station at Felindre not only offers benefits on journey time further west, but also makes catching the train easier with easy access and free parking.

While we have submitted the application as a Section 17, Network Rail has not yet formally responded to the ORR in respect of current support or otherwise for this service. In view of the situation with the removed 'superfasts' – which were supported by Network Rail – and the comments at ESG about the performance improvements expected for Grand Union by their removal, we would expect Network Rail to now support this application.

Once Old Oak Common (OOC) station comes on stream Grand Union would naturally wish to call at what will be one of the largest rail hubs in Europe. Grand Union would be looking for the industry to work collaboratively on a changing timetable in the same way that it delivered a significant improvement with the concept train plan for the WCML which was able to accommodate all aspirations alongside improved performance.

Grand Union's plans are clear and further investment is planned to be introduced following discussions with Network Rail, TfW and the ORR should the application be successful. If services are approved the investment criteria will be clear from an ORR decision. As we have stated we are prepared to undertake the station build 'open book' for the ORR so that actual spend can be monitored to better inform the ORR for its future funding decisions.

We will shortly be submitting the formal application to the ORR and would be happy to field any further questions you may have regarding the proposal.

Yours sincerely

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