### Grand Union

Jonathan Rodgers Senior Executive, Access & Licensing 25 Cabot Square, London, E14 4QZ

23 January 2023

Dear Jonathan,

## Proposed TAC between Network Rail and Grand Union Trains – Grand Union response to Network Rail's letter of 6 January 2023

Grand Union is pleased that Network Rail now supports its application for firm rights to operate new services between London Euston and Stirling.

Based on acquiring new rolling stock then a start date in 2025 is realistic. However, a basic award of rights for 5 years does not allow a company to plan its business with a degree of assurance where the delivery of the service requires significant investment in new build rolling stock.

The reasoning for only supporting 5 years is around the proposed introduction of some limited HS2 services at some indeterminate date in the future. This is in effect seeking to preserve capacity for future use while no actual investment on the part of the railway that may carry those trains has been made. The route investment is in HS2. There is also no clarity at this time of the performance characteristics of new HS2 trains on the 'classic' network.

Network Rail also note that the full effects of HS2 via Phase 2a (if current timescales are adhered to) will not be completed until the mid 2030s so it is not reasonable to restrict support for Grand Union's small number of services until 2030.

Grand Union is currently undertaking a procurement process for the delivery of its new fleet following the recent ORR approval for its Carmarthen services, and if formally approved by the ORR the fleet for Stirling will be the same. Grand Union is therefore

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able to confirm that it's operating characteristics will outperform the timings recently developed through the Event Steering Group.

As stated, Grand Union welcomes Network Rail's initial support and is content to continue dialogue with Network Rail so it is better able to understand Grand Union's investment plans and timescales.

It is hoped that dialogue will enable Network Rail to further support the full application for 10 years in line with the significant investment to be made in new rolling stock.

Yours sincerely

lan Yeowart Managing Director

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