

BY EMAIL ONLY

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Access Policy Advisor
Office of Rail and Road
25 Cabot Square
London
E14 4QZ

4 September 2025

Dear Mr. Biggar,

VTE HOLDINGS LIMITED'S ("VTE") APPLICATION FOR DIRECTIONS UNDER SECTION 17 OF THE RAILWAYS ACT 1993 FOR ACCESS TO TEMPLE MILLS INTERNATIONAL DEPOT ("TMI")

Thank you for your letters of 15 August – this letter replies to the first of those, which invited VTE to comment on submissions by Eurostar, the Department for Transport ("DfT") and Kent County Council ("KCC") by 4 September.

VTE notes the subsequent two-week extension to that deadline, as communicated in the ORR's letter of 29 August, and VTE's own written objection sent on the same day. VTE considers it of paramount importance that the overall timeline for ORR's Section 17 process is not allowed to slip, and that a decision is still issued by 31 October. Therefore, notwithstanding the extension, VTE has chosen to submit this letter in line with the original deadline of 4 September to assist the ORR as much as it can in remaining on track with its proposed timeline. VTE trusts that this letter, together with its comprehensive submission of 18 July, will support the ORR in achieving that outcome. More detail on VTE's position on this matter is provided in Section 1 of this letter.

The primary focus of this letter, covered in Sections 2, 3 and 4, is to set out VTE's comments on those submissions from Eurostar, the DfT and KCC, as invited by the ORR.

VTE notes that the ORR leaves it to the discretion of each applicant if they wish to comment on other applicants' submissions, and that this is not a formal part of the ORR's assessment process. In this light, VTE has included high-level observations on other applicants' submissions within Section 5.

1. VTE's position on the deadline extension

- 1.1 VTE is both surprised and disappointed by the decision to extend the deadline for this submission, particularly given the ORR's own recognition that such an extension may impact its ability to reach a final decision by 31 October.
- 1.2 Unlike the two prior deadline extensions granted in June, which were disappointing but somewhat understandable given the volume and complexity of material required from applicants at that stage, the nature of this submission is significantly less onerous. It is difficult to see why three weeks would not have been sufficient time for all parties to comment on the relevant materials. In this context, the decision to grant a *two-week* extension also feels disproportionate. The extensions granted in June were limited to one week each despite that submission requiring significantly more substantive input.

- 1.3 VTE has not requested any of these extensions and, in the interest of transparency, considers it would be appropriate for the ORR to identify which other party or parties these requests have originated from and their grounds for seeking such an extension.
- 1.4 The cumulative effect of these delays risks undermining the process. As set out in its original submission, VTE is at an advanced stage of its project and the certainty provided by the ORR's process is a critical factor in maintaining the confidence of VTE's partners – like VTE, these partners are continuing to make significant financial and resource commitments in advance of the ORR's access decision.
- 1.5 VTE urges the ORR to reconfirm its commitment to issuing a final decision by 31 October. To assist the ORR in meeting this timeline, VTE has chosen to adhere to the original deadline in submitting this response.

2. Comments on Eurostar's submission

General comments

- 2.1 In common with some applicants, the level of redactions in Eurostar's 18 July submission limits VTE's ability to analyse those submissions. In total, 51 of 174 paragraphs (29%) have been redacted entirely, in addition to more targeted redactions within the paragraphs that remain. Nonetheless, from the information available to it, VTE has made several observations.
- 2.2 It is encouraging that Eurostar (i) expects to compete with other rail operators and (ii) notes the benefits that will be derived from fair competition, specifically as they relate to innovation and improvement (paragraph 2).

New rolling stock procurement

- 2.3 VTE notes comments throughout Eurostar's submission relating to its planned purchase of "up to 50 new trains" that will be introduced "in the early 2030s".
- 2.4 VTE observes the lack of firm commitment in relation to this prospective rolling stock order, including Eurostar's comment that it is "in the wider planning stage for this at present, which includes evaluating and confirming options". This appears to be at odds with the representation that it "is in advanced negotiations to acquire a new fleet". Given the prominence of this prospective fleet within Eurostar's submission, VTE would expect more information to be forthcoming with respect to the manufacturer, model, financing plans and delivery timelines if Eurostar was indeed in advanced negotiations.
- 2.5 VTE also notes the regular use of "early 2030s" as the likely timing for delivery of this fleet. This phrase is vague and suggests that Eurostar might not be as advanced in its procurement process as it represents. Notably, VTE's discussions with Alstom include a clear delivery timeline that allows it to enter service from mid-2030. In fact, "early 2030s" could be well beyond the date proposed by VTE and Alstom for the delivery and launch of its Avelia Stream fleet. This timescale would also fit with VTE's understanding of when an Avelia Horizon (reported in The Times to be Eurostar's preferred train) could realistically be delivered given existing orders from Eurostar's parent company SNCF, from Morocco and from Proxima.

- 2.6 Eurostar comments that it “is able to commit to its fleet procurement and place any initial orders without any new financing requirements,” but its supporting evidence for this statement is limited. VTE acknowledges that additional information might be contained within its redacted materials, but notes that the recent evidence of its financing track record primarily relates to refinancings rather than the financing of new rolling stock. The most recent evidence that it provides of financing new rolling stock is from a fleet of 17 E320 trains procured in 2010 – nearly 15 years ago and on a much smaller scale than the new fleet being considered in this document.
- 2.7 From its submission, one might conclude that Eurostar’s proposed new fleet is exclusively for use by EIL on cross-Channel routes. However, previous announcements by the Eurostar Group are clear that the majority of these new trains would be for replacement of the ex-Thalys fleet of 26 PBKA and PBA trains operating on continental services. It is unconfirmed how many (if any) of these new trains will operate “international passenger services”.
- 2.8 VTE would also query how much of this eventual fleet could ultimately be deployed on the cross-Channel route, even if that were Eurostar’s commercial preference. VTE understands that once operational integrity has been established by an applicant, that applicant will be able to enter into Framework Track Access Agreements with infrastructure managers. Of particular interest is the proposal from Eurotunnel which is expected to limit the firm capacity rights of any one operator to 40% of the available slots. In this context, it is unclear whether Eurostar would be able to secure sufficient capacity through the tunnel to maintain the new fleet at TMI.

Appropriate usage of TMI

- 2.9 Eurostar’s submission suggests that it plans to use TMI for maintenance of new trains that it will ultimately deploy in continental Europe. Specifically, Eurostar states that TMI “will be the core centre of maintenance for the interoperable fleet that Eurostar plans to purchase and operate across our network” and that “TMI will have a pivotal role in the maintenance of the whole of this inter-operable fleet”.
- 2.10 Indeed, Eurostar confirms that it is already using Temple Mills to maintain trains deployed in Continental Europe: “E320s are already being exclusively deployed for regular services on the Amsterdam-Paris route”.
- 2.11 It is difficult to see how these services could meet the definition of an “international passenger service” under The Railways (Access, Management and Licensing of Railway Undertakings) Regulations 2016 (“2016 Regs”).
- 2.12 Given the limited capacity available at TMI, which is the only UK depot capable of taking EU compatible trains, VTE would expect ORR would want to ensure that precious space is used for “international passenger services” as defined in the 2016 Regs and to deliver passenger benefits to the cross-Channel market ahead of services operated exclusively in Continental Europe.

Maintenance strategy

- 2.13 Eurostar’s firm statement that TMI “**will be** the core centre of maintenance for the interoperable fleet that Eurostar plans to purchase and operate across our network” is contradicted elsewhere in its submission. For instance, in paragraph 80, Eurostar indicates that a feasibility study has been undertaken into modifying TMI to maintain the new trains, but that no decision has been taken and its assessment can only be progressed once it has ordered new trains.

- 2.14 Irrespective of these contradictions, VTE would question whether it would make commercial sense for Eurostar to maintain trains for continental European services at such a remote location as TMI. VTE would imagine that if Eurostar procures the Avelia Horizon, it would better and more efficiently be maintained by Eurostar's parent, SNCF, alongside its own fleet of the same trains, at one of its depots in France.

Modification and expansion of TMI

- 2.15 Eurostar's submission makes several references to a possible (as yet uncommitted – see above) expansion of TMI. It also says, for example at paragraph 54, that it "may" introduce new trains into the current shed at TMI.
- 2.16 It would seem logical and efficient to VTE that if depot capacity expansion plans are indeed being considered by Eurostar, then any additional capacity created would be intended for the new trains rather than changing the existing set up that accommodates an e320 fleet that will be remaining. As the stated purpose of some of the new fleet is to replace the E300 fleet, then it follows that more space could become available over time in the existing shed, and that the existing available capacity could be used to promote healthy competition.

Route expansion

- 2.17 VTE welcomes Eurostar's ambition to establish new destinations for its customers but believes some scepticism is warranted given it has only introduced one new year-round route (London-Amsterdam) in the past 30 years.
- 2.18 Eurostar claims that it "announced Geneva and Frankfurt" in June of this year as evidence of its long-term ambition. VTE would note that these are not firm commitments and that both appear to be very recent developments.
- 2.19 VTE would note relevant precedents in this regard and therefore treat such "announcements" with caution. For example, it is notable that in 2010 Eurostar announced intentions to expand to a variety of destinations (including Geneva and Frankfurt) – this announcement notably followed Deutsche Bahn communicating its plans to compete on the cross-Channel route. In practice, competition from Deutsche Bahn never materialised and Amsterdam is the only destination served today of the six new destinations cited by Eurostar at the time.

Availability of capacity at TMI

- 2.20 Eurostar only operates a single depot (and has done so for nearly 20 years at TMI) and is therefore likely to lack experience on modern maintenance efficiencies that can be delivered to unlock capacity in a multi-operator depot. This could be a reason for the low fleet utilisation and low mileage thresholds observed today, leading to increased maintenance interventions compared with modern fleets as VTE has commented on previously. The current utilisation of approximately one return service per train per day (c.25 daily departures with a fleet of 25 trains) is extremely low by modern standards and speaks to either inefficiency or performance issues.
- 2.21 This perspective appears to be accepted to some degree in paragraph 46 where there is an acknowledgement that fleet reliability and resilience needs to improve to deliver growth. VTE believes that Eurostar should be tasked with delivering better levels of train utilisation and

maintenance performance to deliver capacity that ultimately underpins market growth, rather than being permitted to maintain inefficient operations at the expense of competition.

- 2.22 Eurostar makes an unsubstantiated argument that “new fleets are more demanding on introduction than may be expected at the time of purchase” and suggests that the OEM’s statements of needs “should be treated cautiously”. VTE believes that the credibility of Alstom as its OEM and the amount of time to plan for the arrival of its rolling stock to TMI should significantly mitigate against any significant concerns that Eurostar has in this regard.
- 2.23 VTE notes that Eurostar continues to dispute the findings of the IPEX report that there is space for another operator at TMI. VTE has previously identified other opportunities that were not considered in the final IPEX report and that the available capacity identified by IPEX should be considered the minimum available.
- 2.24 On this point, VTE also notes the conclusions of the BWB report, commissioned by LSPH, which suggests that there could in fact be 2.6 roads available in the maintenance shed. Crucially, BWB concludes, like IPEX, that capacity exists for another operator – and its analysis is expressly based on VTE’s proposed timetable.

3. Comments on the DfT’s representations

- 3.1 VTE notes two separate submissions from the DfT, one dated 16 July (from the Deputy Director for International Rail and Rail Freight, Andrea Pearson) and the other dated 17 July (from the Rail Minister, Lord Hendy).
- 3.2 In respect of the 16 July letter from Ms Pearson, VTE is encouraged by the DfT’s strong support for competition in the international rail market, its willingness to address barriers to entry and its recognition of the benefits that can be realised as a result of a new entrant to the market.
- 3.3 In respect of the 17 July letter from Lord Hendy, VTE welcomes the Rail Minister’s support for new entrants and the arrival of competition. As Lord Hendy rightly identifies – without competition, service provision has contracted. VTE looks forward to continued engagement with the Minister and his officials.

4. Comments on KCC’s representations

- 4.1 VTE notes KCC’s 9 July submission and the strength of its argument for the introduction of competition to the cross-Channel market, including a clear demonstration of the benefits that would arise from this.
- 4.2 KCC states (in paragraph 6 of its submission) that VTE is one of only two applicants to have engaged with it on the topic of returning services to Kent. VTE is committed to continuing its engagement with KCC as it builds towards its launch in 2030, with a desire to reopen the stations in Kent and put them back on the international rail network.
- 4.3 VTE has discussed openly with KCC the commercial uncertainty and operational complexity involved in re-establishing these stations, which is the reason for VTE not including these stations in its initial route plans. More engagement will be required with relevant stakeholders

to establish a clear plan towards including Ebbsfleet and Ashford on VTE's routes, which remains its long-term ambition.

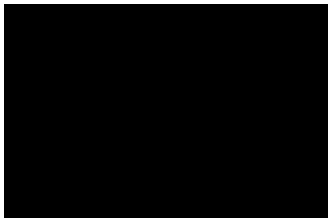
5. Comments on other applicants' submissions

- 5.1 VTE has reviewed the 18 July submissions from Trenitalia France, Gemini TOC and Evolyn, and offers the following summary observations.
- 5.2 Extent of redactions: Some applicants' submissions are heavily redacted, limiting VTE's assessment of key evaluation criteria such as financial viability and operational readiness. As articulated in its 21 August letter to the ORR, VTE followed the ORR's guidance strictly, redacting only the most commercially sensitive information in its submission and providing detailed justification for each individual redaction. Given the greater exposure to scrutiny this creates vs. other applicants, VTE trusts that the ORR will ensure this transparency is not inadvertently penalised.
- 5.3 Rolling stock and financing progress: Based on public information, no other applicant has yet demonstrated concrete progress on rolling stock procurement or financing. VTE believes it should not be underestimated how much work it takes to secure a manufacturer, align funders and agree commercial terms across both of these critical elements – even with access to TMI, other applicants would require several months to conclude these processes. In contrast, VTE has already identified its manufacturer and financing providers and continues to make progress with them to increase transaction certainty and enable a swift conclusion following the ORR's decision.
- 5.4 Delivery and service launch timing: VTE's engagement with multiple manufacturers over the last two years suggests that delivery of cross-Channel compliant rolling stock by 2029 is highly unlikely unless procurement is already well advanced. Applicants proposing this timeline without confirmed orders are likely to be overstating their readiness.
- 5.5 Alstom exclusivity: Two other applicants refer to ongoing discussions with Alstom, however VTE and Alstom are working together exclusively. The enclosed letter from Alstom confirms that it is not in discussions with any other applicant. Statements to the contrary from other applicants should therefore be disregarded.
- 5.6 Stratford International: One applicant's submission leans heavily on the use of Stratford as its London base and the stakeholder benefits this is purported to bring. VTE has also considered Stratford and sees the potential that the station offers, however VTE's submission is grounded in commercial reality and deliverability. Plans to rely on Stratford *from launch* introduce significant commercial and operational uncertainty which, based on VTE's extensive engagement with investors and lenders, is unlikely to be financeable.
- 5.7 Efficient use of depot capacity: Depot capacity at TMI is a scarce and strategically valuable resource. Certain applicants' submissions suggest extremely low planned fleet utilisation that would represent inefficient use of this space.

6. Concluding remarks

- 6.1 On the evidence of the other 18 July submissions, no other applicant has achieved the level of readiness of VTE. VTE's submission demonstrates a clear commitment to introducing competition on the cross-Channel route, significant progress on the critical financing and rolling stock elements and detailed thinking across the full range of factors required to deliver a project of this complexity. These factors ultimately reduce the execution risk of VTE's application, which it is confident will result in the introduction of healthy and longstanding competition on the cross-Channel route should it be allocated the available capacity at TMI.
- 6.2 VTE remains committed to supporting a fair, transparent process and will continue to engage constructively with the ORR to support its decision-making. We appreciate the progress made to date and reemphasise the importance of the ORR making its decision in October.
- 6.3 VTE looks forward to continuing to support the process and to playing its part in bringing much-needed competition to the cross-Channel route.

Yours sincerely,



Supporting Information – Letter from Alstom



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Martin Jones
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4th September 2025

Dear Martin,

**RE: Expression of Operational Readiness and Viability, and Transactional Support for Project Bullet –
Application by VTE Holdings Limited (“VTE”) under Section 17 of the Railways Act 1993**

Alstom wrote to the ORR on 18 July to confirm its exclusive partnership with VTE. We write again now to reaffirm that partnership and to provide clarity in respect of certain comments made by other applicants.

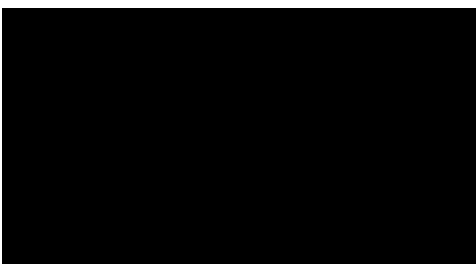
In particular we note that submissions from Evolyn and Gemini Trains, both dated 18 July and published on ORR’s website, refer to ongoing discussions with Alstom.

Alstom, as an experienced manufacturer of high-speed rolling stock, has previously engaged in preliminary discussions with various parties interested in open-access cross-channel operations. Following these discussions, Alstom has entered into an exclusivity arrangement with Virgin to support VTE’s application to the ORR and is not currently engaged in discussions to supply rolling stock to any of Evolyn, Gemini or Trenitalia France.

Meanwhile, I am pleased to say that Alstom and Virgin are continuing to make good progress with the development of the long-form documents for VTE’s purchase of twelve Avelia Streams and that we remain on track to swiftly conclude an order following ORR’s 31 October decision on the allocation of Temple Mills depot capacity.

We hope that this clarification can assist the ORR in its decision making process.

Regards



Additional Supporting Information

REDACTED