



Department
for Transport

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[REDACTED], Aspirant Open Access Operations Manager
by email: [REDACTED]

Dear [REDACTED]

Alliance Rail Southern, Section 17 Application, Marchwood-Southampton Central/London Waterloo

Thank you for sharing the above track access application from Alliance Rail (Southern), and for providing the Department for Transport the opportunity to respond to this industry consultation.

Open Access can provide benefits such as improved connectivity and choice for passengers, but can also increase costs to taxpayers and create additional performance pressures. New Open Access services must genuinely add value and not simply divert revenue from existing operators – all of which are currently supported by the taxpayer in some form – or inhibit the efficient operation of the network. The Secretary of State was clear on the importance of this in her 6 January letter to the ORR, and this remains the case.

This application from Alliance Rail (Southern) raises a number of concerns regarding both impact to taxpayers and upon network performance.

DfT analysis suggests that the application would not pass the 'Not Primarily Abstractive' (NPA) test as outlined in ORR's guidance, coming well below the 0.3 threshold specified with an NPA ratio of just 0.14. This would represent poor value for money for taxpayers, who would be left to make up shortfalls.

It is unclear from the application who would be liable for costs relating to the reopening of Marchwood station and as such we have particular concern regarding potential use of taxpayer funds to reopen Marchwood station (closed to passenger services since 1966) for the benefit of a commercial operator. This structure would require notable work to make safe and up to standards, likely at significant cost that the applicant should surely cover if it wishes to profit from operating the route. The Government ceased the "Restoring Your Railway" scheme that had explored viability of adding the active freight line (part of the Fawley branch line, known as the "*Waterside Line*") into the national passenger rail network on affordability grounds, concluding that the capital cost, operational cost and constraints, and limited service levels that could be reliably operated would not deliver value for money for the taxpayer. The Government has also been clear that there are no plans to restore this station following the decision to cease the "Restoring Your Railway" scheme. It is therefore unclear how the full costs of the applicant's proposal would be funded.

We also note that the application provides insufficient information regarding a potential new Marchwood station and carpark near to the existing site and provides no detail of where this would

be located, when it is expected that this might be operational, or who would fund it, preventing full assessment of viability. The concerns set out above also remain the case for a potential new Marchwood station and carpark.

Beyond taxpayer considerations, we have concerns over detrimental performance impacts on the busy mainline between London and Southampton, noting the likelihood of significant pathing and platforming conflicts as a result of Alliance's proposals. We are aware that Network Rail has identified numerous capacity and performance risks that would be caused by Alliance's proposed services; this includes 24 major conflicts where a path has not as yet been identified. These include direct conflicts where Alliance seeks to utilise paths currently allocated for critical seasonal services as well as Empty Coaching Stock moves, which are a vital factor in providing a safe and efficient railway for all users and passengers. A number of locations are affected, but Basingstoke, St Denys and Waterloo West Crossings are of particular note.

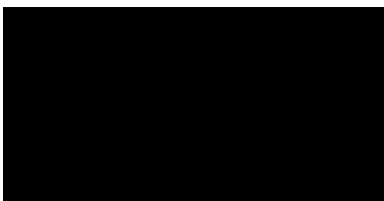
We would also highlight that the route between London and Southampton is already well served by contracted services and that the addition of Open Access services will likely have knock-on effects and constrict opportunities for performance enhancement.

The application states use of Class 769 tri-mode rolling stock in 4/8-car formations, but platforms at Marchwood are only sufficiently long to accommodate 4-car trains. This would therefore require either inefficient use of capacity between London-Southampton using 4-car services, or increased performance risks due to need for enhanced attach/detach activity at Southampton to split or join carriages. It is also unclear whether these proposed services would create power-draw issues given that Wessex is near power capacity, and we would expect Network Rail to undertake full assessment of this as part of its own submission to the ORR.

For the reasons listed above, the Department for Transport does not support this application from Alliance Rail (Southern).

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

Yours sincerely,




Deputy Director, Rail Reform