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Copy list below - **by email only**

Dear colleague

Access to the East Coast Main Line (ECML)

1. This letter is to update you on what has been happening with the applications we have received to use the ECML, and our next steps. Please let us know if you have comments by Friday 13 February.
2. Our approach is in line with the plan we first outlined in my letter of 18 June 2014 and we remain on course to make the key access decisions that are needed in the next few months. Our best estimate at the moment is that we should be able to share our thinking, at least in draft form, with everyone in early May; we remain mindful of the value to everyone of knowing where we stand as soon as possible.
3. To recap, the applications we have received to date are:
 - (a) From open access operator GNER to run an hourly fast service between Kings Cross and Edinburgh, calling at Newcastle and occasionally Stevenage from December 2016 or as soon as possible thereafter. The service would use new tilting Pendolinos;
 - (b) From GNER to run 4 return services a day to Cleethorpes, 6 to Bradford and 1 to Ilkley, all from Kings Cross starting in 2018; and
 - (c) From East Coast Main Line Company Ltd to extend its current track access rights beyond December 2016 and to add an additional hourly return service (the precise destination to be decided) from December 2019 when IEP rolling stock arrives. This will soon be superseded by an updated application by Virgin Trains East Coast (VTEC) (see paragraph 12 below).
4. Other relevant current or expected applications of which we are aware include those of freight operators who want to update and extend their current access rights

beyond 2016, and of GTR who wants rights for 2 additional services each hour that that will impact the southern end of the ECML.

5. Network Rail was unable to agree the applications listed above because it was unclear to what extent there will be capacity to accommodate them all, what the performance implications might be and, where there are trade-offs, what those choices would entail.

Recent progress

6. Since setting out our proposed approach in June 2014, work has continued:

7. Network Rail developed and published an ECML capacity options report on 11 September 2014, drawing on helpful discussions with industry stakeholders. The report identified key bottlenecks on the route, for example, over the Welwyn Viaduct and between Huntingdon and Peterborough. The report confirmed there is unlikely to be sufficient capacity to accommodate all the long distance high speed services (LDHS) and other services proposed for the route, and provided a first view on the performance implications and trade-offs involved in the various options. Choices between running 7, 8 or 9 LDHS services an hour out of Kings Cross were highlighted with increasingly serious impacts on freight (and other passenger services) as extra LDHS paths were added.

8. Network Rail then looked at timetabling issues on the route in more detail, publishing a report on 17 December 2014 (both reports are now available through our website). We agreed with Network Rail this should focus on the choices around the 7 and 8 LDHS paths/hour options where we felt freight capacity concerns highlighted in the earlier study were most likely to be addressed. Network Rail's report confirmed that 8 LDHS paths/hour could work but there remained choices to be made, for example about service patterns that would affect connectivity and journey times. Also, all the services in the current ECML ITSS for 2020 could not be accommodated (especially between York and Edinburgh).

9. The DfT announced VTEC as the winning bidder for the ECML franchise in November. DfT has now started working with its consultants, SDG, to assess the possible financial consequences of new open access on the ECML for the Secretary of State's budget.

10. We have also commissioned consultants, CH2M HILL, to review GNER and VTEC's proposed services. They have been working on completing the initial stages of our NPA test, looking at the likely revenue impacts of those services that would compete with existing services. But since it is unlikely all the proposed LDHS services can be accommodated together, they are also looking at the costs and benefits of each using DfT's standard WebTAG methodology; our process is to look at this additional information in situations where capacity is constrained.

Next Steps

11. Network Rail has just started the industry consultation process around 5 supplemental agreements to be submitted by VTEC for access rights in 2015 and 2016 to extend some current services to Stirling, Sunderland and Edinburgh and to add new

weekend services to Leeds and Edinburgh. Stakeholders should respond to those consultations as usual.

12. In early March we expect Network Rail to start the industry consultation process on a VTEC application for the longer-term access rights it would like. This will supersede the application from East Coast Main Line Company Ltd mentioned in paragraph 3(c). We expect it will include the service extensions and new weekend services it is proposing for 2015 and 2016. But it will also clarify the new pattern of IEP services VTEC has been contracted to provide by DfT in 2018 and 2020 (for example, including an additional hourly service alternating between London to Lincoln and London to Harrogate via Leeds). Stakeholders will want to respond to that consultation as usual.

13. We expect to discuss the results emerging from our consultant's work with GNER and VTEC in mid-February/early March, following which CH2M HILL will finalise their report and we will publish it on our website.

14. We hope to be able to publish at least the main points from DfT's assessment mentioned in paragraph 9 in mid-February for stakeholders' comments.

15. We have asked Network Rail to draw out the main points of its capacity and timetabling reports for us in the context of VTEC's detailed service proposals (which were not available when the reports were put together). This will include its views on whether the service proposals differ in their performance implications. We hope to be able to publish Network Rail's response in early March, alongside the consultation on the longer-term VTEC application.

16. We will then draw all the analysis together to help us make a decision. A summary of what we expect to happen next is:

Early February 2015	VTEC supplemental agreements industry consultation
Mid February 2015	GNER input to CH2M HILL report
	Publish main points from DfT's assessment
Early March 2015	VTEC new TAC industry consultation
	VTEC input to CH2M HILL report
Mid-late March 2015	Publish CH2M HILL report
	Publish Network Rail response / advice
April/May 2015	Our assessment and decision

17. Some stakeholders have asked if we might hold an industry hearing on these applications. We have not decided yet how useful that might be and would welcome views. Hearings can give stakeholders an opportunity to clarify and air their views and to test each other's arguments in an open forum. But they are time and resource hungry and may not add much. Delay to our overall decision making would also be a concern.

18. I hope this update is helpful, but please do not hesitate to contact me, Ian Williams or David Reed if you need to discuss. We will publish this letter on our website.

Yours sincerely



Rob Plaskitt

Copies to:

Andy Sparkes (VTEC)
Ian Yeowart (GNER)
Chris Burchill (Arriva Group)
Matt Rice (Network Rail)
Paul McMahon (Network Rail)
Peter Craig (Network Rail)

Andrew Murray (DfT)
Steven McMahon (Transport Scotland)
Phil Dawson (ECML Co Ltd)
John Beer (GTR)
Other current ECML operators
Passenger Focus/London TravelWatch