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Rachel Gilliland Head of Commercial Freight Network Rail The Quadrant Milton Keynes MK9 1EN

10<sup>th</sup> May 2015

Dear Rachel,

## Ref: Section 18 Application – Great North Western Railway

Thank you for consulting West Coast Trains Limited "Virgin Trains" upon the Section 18 Application made by Great North Western Railway Company "GNWR" under the Railways Act 1993. This letter is in response to the Section 18 Application sent out for consultation on the 14<sup>th</sup> April 2015 and simultaneously responds to your letter dated 22<sup>nd</sup> July 2014.

Virgin Trains originally responded on the 10<sup>th</sup> July 2014 detailing areas of significant concern to the previous Section 18 Application made by GNWR. Virgin Trains remains of the strong view that the concerns expressed in its letter are still outstanding as your response dated the 22<sup>nd</sup> July 2014 failed to adequately address those raised. Therefore, for the avoidance of doubt Virgin Trains reiterates some of these below.

## 1. Capacity

1.1 GNWR clearly state that "a significant amount of time to evaluate capacity"; this completely contradicts the statement that "*it*'s not possible to include a detailed timetable". Network Rail's capacity report<sup>1</sup> concluded that there were possible paths to and from London Euston. This leads Virgin Trains to believe that, further capacity (identified paths) has been identified

<sup>&</sup>lt;sup>1</sup> Network Rail – West Coast main Line and Transpennine Capacity and Performance Assessment, October 2013

and, performance modelling of the 'possible paths' has been undertaken. Taking in to account the statement regarding the significant amount of time invested to "evaluate capacity"; combined with the outputs contained within Network Rail's capacity report published October 2013, why haven't detailed paths been provided by GNWR or Network Rail? Moreover, Virgin Trains is surprised to notice that the GNWR timetable in the 'up' direction (arrival at London Euston) fails to optimise those paths identified in the report.

- 1.2 Your letter states "greater flexibility in contracts". We fully expect that our services are not altered (moved from clockface departure and/or have a lengthened journey times) as a result of this Application being considered. Virgin Train expects the Office of Rail and Roads (ORR) to factor this risk/the impact this would have into its economic evaluation and consideration of the Application made by GNWR.
- 1.3 The statement "Network Rail has invested in infrastructure reliability enhancements at the south of the WCML" and "completion of enhancement schemes (such as Norton Bridge which allows 2 additional long distance high speed services to operate between London and North West) capacity will be released". Can Network Rail elaborate: Where else has/will anticipated new infrastructure prior to December 2016 release capacity / enhance robustness and, how will Norton Bridge alone release a complete path(s) between London Euston and the North West? Virgin Trains fails to see how this can be quantified but is interested to see such analysis undertaken.
- 1.4 As 1.2, the Network Rail report identifies three paths that are used in the peak hour. Virgin Trains previously made an application for two new services between Blackpool North and London Euston, optimising these paths identified in Network Rail's report of October 2013. However, Network Rail rejected the application on the grounds of industry performance impacts 0.2 0.5% PPM impact. Please could you demonstrate Network Rail is being consistent by sharing the rationale behind the two applications i.e. why a previous sale was not accepted but now is?
- 1.5 "Our indicative timetable shows these slots for the most part". What timetables are you referring to as the timetable presented for consultation isn't detailed enough to enable a robust evaluation between the origin and destination? Without detailed paths (former F3 print) how can Network Rail determine how a new service will interact with other services? Surely details such as the use of the Fast and Slow lines would be needed to determine simple timetabling basics i.e. how the propose services interact with the exsiting.

- 1.6 Virgin Trains notes that the GNWR Application is made for a period of 10 years. Can Network Rail explain why a recent Application made by Virgin Trains<sup>2</sup> for 'firm rights' of 7 years was rejected by the Sale of Access Rights Panel? The rejection was based on various Legislation/Policies quoted relating to a 5 year maximum contractual length, yet Network Rail had previously agreed to a Section 18 Application for a new contract period of 10 years? This is completely inconsistent.
- 1.7 The Form P quotes "The rights in question have been the subject of capacity modelling and have already been scrutinised by Network Rail SOAR panel in 2014". What level of scrutiny was applied? How was this undertaken as no details have been provided?
- 1.8 Suggesting services use Queens Park as a turnback is not achievable and is certainly not the best use of capacity. Your letter also states *"invest in facilities to enhance the station and access to/from over train services. Initial discussions with London Underground have been held"*. Virgin Trains would also like to see confirmation and assurances that the users of this station agree to the proposal and that the influx in numbers of additional passengers can be accommodated both at a station capacity level and train service?

## 2. Performance

- 2.1 Virgin Trains previously made an application for two additional services between Blackpool North and London Euston; utilising the paths of XX:33 departing London Euston and XX:43 arriving London Euston. The additional services were to be operated from December 2013 by EPS capable rolling stock with a proven reliability record. The request was also for a significantly lower quantum of services than are included within this application. Network Rail (SOAR) rejected these services on the basis that the modelled industry PPM impact of between 0.2 and 0.5 per cent being too great, thus deemed not acceptable. This was in spite of Network Rail also discounting the benefits that the wider changes in timetable delivered to balance the perceived negative impact. Therefore, in relation to the performance impact, Virgin Trains would like to understand what timetable base Network Rail has used in order to evaluate performance and what impact to PPM has been identified?
- 2.2 Virgin Trains previously requested details showing: how ORR's requirements as set out in its CP5 Determination will be delivered during the Control Period, can this be provided?
- 2.3 Virgin Trains previously requested details demonstrating: how the impact of reversing the proposed services at Queen's Park will be robustly delivered and not impact on existing operations during the HS2 works, including proper consideration of the disrupted operating environment on the south end of the route arising from the effects

<sup>&</sup>lt;sup>2</sup> West Coast Trains Limited – Section 22A Eleventh Supplemental Agreement

of HS2 on the station area and throat and the loss of Lines E and X. Can this be provided?

- 2.4 Virgin Trains would like an explanatory note setting out how this application is consistent with ORR policy, and why Network Rail considers it is appropriate to make an application at this time for such a significant allocation of capacity prior to HS2 Euston Working groups' conclusions being published.
- 2.5 The option to use Queen's Park as the termination point should HS2 enablement works at London Euston reduce capacity to a point where GNWR services cannot be allocated a platform is also worth exploring further. This in itself presents a number of capacity (and performance) issues. What impacts will the movements into / out of Kilburn Loop have on existing slow line capacity? What impacts will the movements between Fast & Slow line (and vice versa) at presumably West London Junction or North Wembley have upon existing fast line capacity? Crossing from the down slow line to the down fast line requires a sizeable margin between services using both fast lines to enable this movement to take place.

## Conclusion

Virgin Trains believes Network Rail has entered a Section 18 without sufficiently assessing the impact these services may have on the existing sub-optimal performance levels. Moreover, Virgin Trains is concerned that levels of inconsistency have been applied by SOAR when previously assessing Virgin Trains' previous Section 22A Application in 2013.

Insufficient evidence presented in the application makes it difficult to fully assess the impacts these services will have on the Network and existing operators; therefore, until such can be provided Virgin Trains is unable to support this application.

Yours sincerely

Darren Horley Commercial & Operations Strategy Manager Virgin Trains – West Coast Trains Ltd