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Dear Philip

**Periodic review 2013:
On-rail competition: consultation on options for change in open access**

The key issue for Passenger Focus is the balance between open access and franchising – i.e. between the direct competition offered by open access and the co-ordination/integration offered by franchising.

Passenger Focus has a presumption in favour of competition because of the benefits it will bring to passengers. By definition, passengers will have a choice and, for some, improved access to services which they did not have before. There is evidence from examples of direct competition between two franchised operators, and between a franchised operator and an open-access operator, that consumers benefit from lower prices. NPS also shows open-access operators recording high levels of passenger satisfaction; in the Spring 2013 survey Hull Trains recorded 95% overall satisfaction. We have argued that open access is a good thing and should be encouraged.

There are, however, caveats:

- That the overall service on the route, i.e. including all the train of all operators, meets passengers' needs to the greatest possible extent. There must be no significant disbenefit to any existing group of passengers.
- That the granting of new track access rights does not significantly frustrate the industry's subsequent ability to develop a timetable that maximises capacity and utility to passengers.
- Passenger Focus also has a presumption in favour of proposals involving trains between London and towns and cities that are poorly-served by through trains or



not served by through trains at all. We know from research that passengers prefer through services to changing trains – indeed, the industry’s own demand forecasting models reflect this.

We are not in a position to comment on the intricacies of the calculation.

Yours sincerely



Anthony Smith
Chief Executive