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21 November 2017

Steven Ireland
Customer Manager (Western and Wessex)
Network Rail Infrastructure Ltd
Western House
1 Holbrook Way
Swindon
SN1 1BD

Lee Shuttlewood
Track Access Manager
First MTR South Western Trains Ltd
Friars Bridge Court
41-45 Blackfriars Road
London
SE1 8NZ

Dear Steven and Lee

Approval of the 68th supplemental agreement to the track access contract between Network Rail Infrastructure Limited and First MTR South Western Trains Ltd (SWT) (jointly “the parties”)

1. We have today approved the above supplemental agreement submitted to us formally on 21 November 2017 under section 22 of the Railways Act 1993 (the Act). This follows an earlier informal submission of a draft agreement for our consideration. The purpose of this letter is to set out the reasons for our decision.
2. This agreement adds 1 new SX peak Waterloo to Reading Service return to Schedule 5 Table 2.2 of the parties' track access contract (TAC) to reflect changes in SWT's timetable post the Waterloo Partial Closure work. The addition of these services will create more capacity during peak period along a busy route. The parties are also making some administrative changes (SWT's registered name and address) on page one of the TAC to reflect the recent change of franchisee.
3. Network Rail undertook the normal industry consultation ending on 6 October 2017. An objection was raised by First Greater Western (GWR), specifically the right associated with the 0653 SX Reading – Waterloo. This path is earmarked for the Reading - Gatwick enhanced service which GWR is bidding to operate from the December 2018 timetable. The parties discussed this with GWR and a compromise was agreed following confirmation that GWR is unlikely to introduce its additional hourly Reading - Gatwick service in January 2018. In return for GWR withdrawing its objection, SWT would only seek rights up to the May 2018 timetable change under this agreement. A new application will be made to cover the same rights between May and December.

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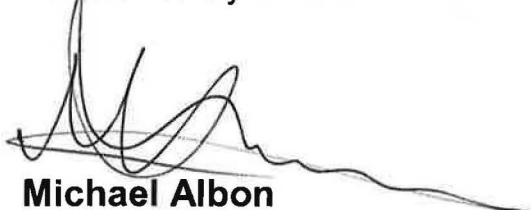
4. Our review identified no issues and we are satisfied that approval is in accordance with our statutory duties under section 4 of the Railways Act 1993. We identified some minor drafting issues and put this to the parties with our suggestions to improve the drafting quality. The parties have agreed to comments and amended the agreement accordingly for the formal submission.

5. In considering the agreement and in reaching our decision, we have had to weigh and strike the appropriate balance in discharging our statutory duties under section 4 of the Act. We have concluded that approval of this supplemental agreement is consistent with our section 4 duties, in particular those relating to protecting the interests of users of railway services (section 4(1)(a)), promoting the use of the railway network for the carriage of passengers (section 4(1)(b)) and enabling persons providing railway services to plan their businesses with a reasonable degree of assurance (section 4(1)(g)).

6. Under clause 18.2.4 of the track access contract, Network Rail is required to produce a conformed copy, within 28 days of any amendment being made, and send copies to ORR and the Train Operator. Please send the conformed copy to me at ORR.

7. Electronic copies of this letter, the approval notice and the agreement will be sent to Keith Merritt at Department for Transport and to Peter Craig at Network Rail. Copies of the approval notice and the agreement will be placed on ORR's public register (website) and copies of this letter and the agreement will be placed on the ORR website.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Albon', with a long horizontal flourish extending to the right.

Michael Albon