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16 May 2003

TRACK ACCESS AGREEMENT BETWEEN NETWORK RAIL INFRASTRUCTURE LIMITED AND MIDLAND MAIN LINE LIMITED: 18TH SUPPLEMENTAL AGREEMENT – “PROJECT RIO”

1. The Regulator has today approved the 18th supplemental agreement submitted to him by Network Rail Infrastructure Limited (Network Rail) and Midland Main Line Limited (MML) under section 22 of the Railways Act 1993 (the Act) on 14 May 2003. The agreement grants rights to MML to operate services between Manchester Piccadilly and London St Pancras from the commencement of the Summer 2003 timetable until the end of the Winter 2003/04 timetable. These services replace the hourly Nottingham to St Pancras through stopping services south of Leicester. They will be operated at the request of the Strategic Rail Authority (SRA) as part of the West Coast Main Line (WCML) Route Modernisation project, to provide an alternative through service between the two cities as the West Coast route will be affected by engineering blockades during this period.

2. In line with the Regulator’s usual process, we consulted potentially affected operators, Transport for London, London Regional Transport, the Mayor of London, London Underground Limited (LUL), the Health & Safety Executive and the SRA. All issues initially raised during our consultation were resolved to the satisfaction of the consultees through further discussion, but subsequently LUL raised a further issue. Following a meeting of the parties LUL indicated that it did not wish to delay the introduction of the services, in the national interest, but that it looked forward to full and on-going co-operation on the interface between the proposed services and the LUL network at King’s Cross/St Pancras whilst development work proceeds both above and below ground.

3. The SRA has identified three key objectives of “Project Rio”:

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Track Access Executive

Doc # 143231.01

- (a) to support and enable a different possession pattern ensuring efficiency on the WCML Route Modernisation project and a reduction in overall disruption for passengers;
- (b) to maintain a quality alternative train service from London to the North West of England; and
- (c) to sustain the overall revenue for this market and create a higher base for the new WCML services to build on than might otherwise have been the case.

The Regulator notes that the SRA has indicated that it would like the services to operate beyond the expiry date of this agreement. If the SRA wishes to take this forward with the parties a further supplemental agreement would be required.

4. The Regulator has considered the interests of those passengers who use the through services between Nottingham and St Pancras. He is satisfied that their rights have been protected by the retention of the existing hourly through fast services, with a cross platform connection at Leicester from/to the Manchester services which will provide the hourly stopping services South of Leicester. He notes the extent of consultation with local organisations, passenger groups and passengers in advance of the introduction of the new services.

5. The Regulator has been made aware of the financial arrangements for “Project Rio” and has given his consent for Network Rail to participate in such arrangements under the relevant conditions of its network licence.

6. The Regulator has considered carefully all aspects of the proposed agreement in the context of his duties under section 4 of the Act. He recognises that the introduction of additional services on some busy stretches of the network is likely to have an impact on overall performance. However, he has decided that it does, on balance, represent a sensible use of network capacity for the period of disruption on the WCML.

7. The Regulator considers that approval of this agreement is consistent with his duty under Section 4(5)(c) to have regard to the financial position of the (Strategic Rail) Authority. This is because the SRA has advised him that “Project Rio”, by enabling Network Rail to take extended engineering blockades on the WCML, will reduce the overall cost of the Route Modernisation project. He has also concluded that approval of this agreement is in the public interest because it will protect the interests of users of railway services – Section 4(1)(a), promote the use of the railway network for the carriage of passengers – Section 4(1)(b) and promote efficiency and economy on the part of persons providing railway services - Section 4(1)(c) of the Act.

8. Please find enclosed a copy of the approval notice together with a copy of the supplemental agreement. Copies of both documents are being sent to Wynand Goyarts at the SRA and will also be placed on the Regulator’s public register. I am also copying this letter without enclosures to Gabrielle Ormandy at Network Rail.

BRIAN HOPKINSON