13th October 2015

Competition and Markets Authority
e-mail to: Rail@cma.gsi.gov.uk

Dear Sirs,

COMPETITION IN PASSENGER RAIL SERVICES IN GREAT BRITAIN

Thank you for the opportunity to respond to your discussion document for consultation. I am pleased to send you our comments.

Yours faithfully

Amy Codd
Chairman

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Newark Business Club meet at
The Everyday Champions Centre, Jessop Close, Brunel Business Park, Newark, Nottinghamshire NG24 2AG
1st Friday of the month
COMPETITION IN PASSENGER RAIL SERVICES IN GREAT BRITAIN

Executive Summary

- Newark Business Club supports competition when real benefits are identified,

- Increasing the competitive position of long-distance trains against other modes of travel is likely to be far more effective than more on-rail competition in making our rail network support economic growth,

- On the basis of the experience from on-rail competition on the East Coast Main Line over the last decade, we do not share your view that the results indicate that there should be more internal competition. We do not see the lack of journey time improvements for 24-years, consistent unreliability of long-distance trains and the failure to optimise the capacity of the infrastructure on the East Coast Main Line as a success story,

- We do not see the existing method of franchising rail services as very effective. The Government’s requirements are too prescriptive and bidders to operate franchised services should be encouraged to submit non-compliant bids as well as compliant ones so that the Government has more options in deciding how to improve train services. We also consider that the present system that provides for a train operator to enter into agreement with one government department (the DfT) and then have to negotiate for access rights to deliver that agreement with another government department (the ORR) is both bureaucratic and poor business practice,

- We see no evidence that open access operators are more responsive to the needs of passengers. In our experience, the franchise operators that we deal with, currently Virgin Trains East Coast and East Midlands Trains are very responsive to issues we have put to them,

- Even with only one operator, optimising journey opportunities, connectivity, line capacity, journey times, reliability and rolling stock utilisation is a very challenging task. It requires development of a series of options to establish a timetable that is workable. We therefore have serious reservations about the delivery of any of your proposals to increase on-rail competition on the East Coast Main Line because:

Without a major, and probably unaffordable, increase in track capacity on the route there is simply not the flexibility to provide for operators to run trains at times and serve stations to optimise their individual requirements,

There are already thirteen train operators using the ECML and very little consensus between them. All of your proposals are likely to increase the number of operators on the route and make reaching agreement more difficult,

It is unclear how timetables would be developed and the criteria for the allocation of paths when demand exceeds supply,
Your proposals would increase the complexity of railway industry rather than simplify it.

In addition, we have concerns about:

- The impact of your proposals on connectivity across the route. All of the recent development timetables, so far prepared by Network Rail for the ORR, reduce connectivity, some drastically,

- The impact of even more operators on the ECML on the industry's ability to recover quickly from unplanned events such as equipment failure.

Given the major impact that your proposals would have on the railway industry, we are very disappointed that you:

- Appear to give credence to information without any supporting evidence - “we were told that” without detailed evidence to support the statement is just not good enough,

- Quote statements from newspaper articles, scarcely the most reliable source of information.

Surely it should have been possible to:

- Obtain details of wages paid to drivers by franchised and open access operators at places where they are in competition like Newcastle to support the claim that open access costs are lower?

- Carry out basic research to support the claim that train despatch by on-train staff is an innovation by OAOs. From this, you would have found out that it is totally untrue as it is a practice that was used pre-privatisation. As an example, at intermediate stations between Swindon and Gloucester where 8-coach trains with slam door rolling stock are despatched by Train Managers.

**Background**

Newark Business Club represents over 1,000 businesses in the Newark area and is widely acknowledged as the voice of business throughout the region. By the nature of our membership we welcome competition when there are real benefits for customers and, when government money is involved, for taxpayers as well. We are therefore interested in the practical implications of your proposals to increase on-rail competition.

Transport links are a key factor why firms have established, and relocated, in the area. Newark Northgate currently generates the sixth highest number of passengers to/from London of any of the stations served by the InterCity East Coast franchise. For our economy to continue to grow, companies need to have confidence that communications will be maintained before they invest here. There is currently a two trains per hour off-peak service between Newark and London running at around 30-minute intervals. There are also through trains from Newark to major northern cities, Leeds, York, Newcastle and Edinburgh, making the area very attractive to businesses.

*Overall competition in the market for passenger journeys*
Long-distance rail services have strong competition from other modes of transport, the private car, coach services and in some instances air travel. Overall, Rail accounts for just 7% of long-distance journeys. It has just a 25% market share of the Edinburgh to London market. We consider that increasing the competitive position of the long-distance trains against other modes of travel is likely to be far more effective in making our rail network support economic growth than more on-rail competition.

The competition landscape for passenger rail services in Great Britain

You state that in the competition landscape for passenger rail services, OAOs represent only about 1% of passenger miles and that the extent of overlapping franchises has reduced over time. Whilst this may be true for the National network, it is certainly not the case on the East Coast Main Line where there is more on-rail competition than on any other route in the country. It is very disappointing that you have not made this very important distinction, a failure often repeated by advocates of more on-rail competition. It follows that it is essential to learn the lessons from the ECML.

Your goals

We consider that the overall objective for our rail network is to drive economic growth by increasing connectivity and that the goals you have identified are subsidiary to that. Whilst downward pressure on prices is important, it is essential that is balanced with service quality. We need to avoid creating Ryanail.

We agree with the criteria to be met by any recommendations to adapt the current industry framework for the future. It will not be easy to achieve.

The history of on-rail competition over the past 30 years

We have reservations about your statement that “OAOs have thereby been restricted to markets under served by franchisees, where there is also available network capacity”. There is a real need to improve east-west services but no OAO has shown any serious interest in providing them and have concentrated on routes to/from London leaving concerns that a key requirement for their business cases is to abstract significant revenue from franchised operators.

We also question whether your statement that “there are now only two OAOs” is correct. Surely Heathrow Express and the North Yorks Moors Railway services to Whitby are open access services? However, you are clearly correct about the three open access operations on the East Coast Main Line with 17% of the long-distance paths out of King’s Cross allocated to OAOs. We believe your discussion paper should have examined the results from the ECML in far more detail to see what lessons can be learned.

The InterCity East Coast franchise competes with other franchised operators on almost every section of the route, Thameslink between London and Peterborough, East Midlands Trains between Peterborough and Grantham, Cross-Country between Doncaster, Wakefield, Leeds, York, Newcastle, Edinburgh and Glasgow, Northern between Doncaster, Wakefield and Leeds, TransPennine Express between Leeds, York and Newcastle and with Scotrail between Edinburgh, Aberdeen, Glasgow and Inverness. In addition, whilst open access operator passenger services account for less than 1% of all timetabled train kilometres on the UK rail network, on the East Coast Main Line it is far higher with open access operators competing between
London, Grantham, Doncaster and York as well as on heavily subsidised routes like Doncaster to Hull.

The results are hardly encouraging:

- There have been no journey time improvements on the East Coast Main Line since 1991, the longest period of stagnation since 1963,

- The reliability of long-distance trains on the route is poor. Since January 1997, the InterCity East Coast franchise has only delivered a Public Performance Measure of 90% of trains arriving ten or less minutes late in three quarters. Indeed, for all three of the quarters when this was achieved, the franchise was being operated by Directly Operated Railways and no private sector company has met this basic requirement. The record of the open access operators is no better,

- Around 33% of the long-distance trains from King's Cross are operated by diesel trains on an electrified railway. Given that the whole objective of investment on railway electrification is to reduce operational costs by running electric trains, what is the logic in operating so many diesels?

- Use of the infrastructure capacity on the route is not optimised with at least 17% of the long-distance paths from King's Cross allocated for trains that provide only 280 seats; simply by increasing the number of vehicles on each train, infrastructure capacity would be used more effectively. The use of short trains and diesel traction is even more prevalent north of York.

Against that evidence, it is impossible to disagree with your conclusion that "current franchising policy has led to passengers paying higher fares than necessary, relatively inefficient use of track capacity, network management and depressed service quality. However, Regulated fares are set by Government and, with less than 10% of a franchised operators costs being controllable, the negotiated return on sales through the franchise agreement leaves little room for efficiency gains that result in lower fares.

Although we support the principle of competition, we have serious reservations about the model used to deliver it on the ECML. In a parliamentary answer dated 28th October 2014, Baroness Kramer, the then Minister of State at the Department for Transport, confirmed that "Grand Central will not pay the same access charges as InterCity East Coast (ICEC)" She also stated that "the ORR has held VTAC at CP4 rates whilst franchised operators pay the higher CP5 rates". In a correction to this answer tabled on 12th January 2015, the Minister stated that "this lower charge only applied to existing rights". A letter from the ORR that covered points we had raised about access charges, dated 31st March 2015, advised us that "to implement the full rate for existing open access services would have equated to a real time 450% increase in the Capacity Charge", suggesting that they are paying well below the market rate for access.

This raises important issues:

- Is it fair competition when franchised operators are required to pay far higher track access charges than open access operators?
• If open access operators were required to pay the same level of access charges as franchised operators, would the Government be able to reduce the level of the Direct Grant paid to Network Rail to benefit taxpayers?

The lack of investment on the infrastructure of the East Coast Main Line

Since privatisation, there has been a lack of investment on the East Coast Main Line. Around £10bn has been spent on the West Coast Main Line to enhance the capacity and reliability of the route, almost ten times more than on the East Coast. The Great Western Route Modernisation was planned to cost £7.5bn and with the escalating costs of electrifying the Great Western it is clearly going to cost a great deal more than that.

Whilst the prioritisation of railway investment schemes is determined by the Government and approved by the ORR, and we have serious reservations over some of the decisions made. As examples:

• The Initial Industry Plan produced by the industry for the 5-years from April 2014 identified eight interventions on the almost 400-miles of railway from King’s Cross to Edinburgh at a cost of around £500m. The Government reduced this figure to just £240m, a sum that is totally inadequate to address the capacity and reliability issues on the East Coast Main Line. On the Great Western, £895m has been spent on major improvements at Reading alone.

• On the West Coast Main Line, the Government has authorised expenditure of £154m to improve the infrastructure at Stafford used by 25 trains per hour. At Doncaster, where there is a minimum of 33 trains per hour, and a similar number of conflicting movements, the Government propose to spend just £20m,

• Again on the Great Western, the Government has spent £62.5m enhancing the infrastructure between Oxford and Worcester and a further £54m improving the track and signalling between Swindon and Gloucester; each route is used by 39 trains per day. In contrast, the flat crossing at Newark is used by over 200 trains a day and the Government has still not approved the expenditure of around £70m for grade-separation; more trains each day cross the East Coast Main Line on the flat using the Nottingham to Lincoln line than use either of those in the Cotswolds.

You refer to the proposed investment on the ECML by Grand Central and Hull Trains. The investment by Grand Central is because they wish to operate tilting trains; the investment by Hull trains is to electrify the line from Selby to Hull. We suggest that neither scheme addresses the major issues with the route’s infrastructure.

A significant percentage of the 400-miles from King’s Cross to Edinburgh is double track and with very limited bi-directional signalling and only one electrified diversionary route, the ECML is very vulnerable to any out of course infrastructure. To our certain knowledge there have been six major infrastructure failures on the route this September alone that have caused considerable disruption to train services.

You state that there are a number of difficulties in identifying a link between the level of investment and on-rail competition on the route. In our view, a significant factor in the failure to prioritise investment on the East Coast Main Line since prioritisation is the lack of a controlling mind. Thirteen train operators use the East Coast Main Line
and there is little consensus between them. The situation has not been helped by the fact that the main long-distance franchise has been operated by no less than four different organisations over the last decade. Contrast that with the position on the West Coast Main Line, Great Western and Chiltern where long-term franchisees have been able to identify the key areas for investment and have successfully delivered them.

It is unclear how any future investment on infrastructure would be prioritised with the further fragmentation of the rail network you propose. Indeed, the fact that the proposed investment on the ECML from the two open access operators is addressing issues that primarily benefit them rather than address the core issues on the route is a matter for concern.

The impact of lack of capacity on the East Coast Main Line

The ECML 2016 Capacity Review identified that the stopping pattern between Peterborough and Doncaster needs to be altered to optimise the number of train paths. As the infrastructure on the route, rather than demand, is already the critical factor in determining where trains stop, how do you envisaged that operators can chose which stations they serve let alone the times of the trains they wish to run?

Even minor changes to schedules are often problematic. For example,

- There is a gap in the half-hourly train service from Newark to London between 09.18 and 10.19. We have discussed with operators of the InterCity East Coast franchise options to close this gap including an additional stop in the 08.45 from Leeds to King’s Cross. That has not proved possible because of pathing conflicts at Doncaster and the fact that the train is scheduled as the first of a flight of five trains on the two-track section of line at Welwyn.

- The need to operate more commuter trains out of King’s Cross in the evening peak has resulted in the need to move the path of the hourly semi-fast trains from King’s Cross to leave at 19 minutes, rather than at 8 minutes, after the hour; this has resulted in a 49-minute gap between departures from London to Newark in one of the busiest times of the day. Again, we have discussed with operators of the InterCity East Coast franchise, transposing the Newark stop from the 17.19 departure from King’s Cross into the 17.03 service to Leeds. Again, this has not proved possible because of pathing conflicts at Doncaster.

The infrastructure on the East Coast Main Line is not conducive to high-speed passenger trains being overtaken on route. Inevitably there is a significant time penalty for the train being overtaken, illustrated by:

- The 07.00 Hull to King’s Cross is booked on the slow line from Grantham to High Dyke, a distance of less than three miles, to be overtaken by the 05.40 Edinburgh to King’s Cross. The journey time penalty from Grantham to Peterborough is 5½ minutes,

- The 17.49 King’s Cross to Leeds is booked to run on the slow line from Peterborough to be overtaken by the 18.00 King’s Cross to Edinburgh. The journey time penalty from Peterborough to Grantham is 7½ minutes.
There is clear evidence that there is insufficient capacity on the East Coast Main Line to allow companies to operate the optimal train service they have identified. We consider that the only way to optimise the capacity on the route is with an integrated timetable that gives due priority to demand and increases journey opportunities.

**Empirical evidence: would greater on-rail competition deliver passenger benefits?**

We acknowledge that competition from open access operators has had a beneficial effect for passengers by lowering fares but question how much that has only been possible because they pay lower access charges. Would they have delivered lower fares if they were required to pay the same level of charges as franchised operators? Indeed, when demand exceeds supply it is poor business practice to discount prices. So when the demand for train paths on the East Coast Main Line clearly exceeds their availability, why should any operator pay a lower charge for track access?

In your letter of 16th September, you ask for our views on the lack of competition at Newark. In our view, there is no evidence to suggest that passengers have been disadvantaged by open access operators not serving Newark Northgate with fare levels being comparable with Grantham, served by Hull Trains. However, the number of open access trains on the route has impacted on the train service at Newark as East Coast applied for access rights to fill the gaps in the ECML standard hour timetable but were refused on the grounds that there were no paths available.

Overall we consider that the East Coast Main Line suffers from the inefficient use of track capacity and depressed service quality in spite of having the highest level of on-rail competition on the network.

We also consider that the present revenue allocation system between competing train operators is inadequate. At present, operators rightly receive all of the revenue they generate through ticket sales restricted to the own services but are also allocated a percentage of the overall revenue between stations where they are in competition. This arrangement allows an operator to fill all of the seats on their trains with low-cost tickets but, in addition receive a share of the total revenue that includes premium fare tickets for passengers carried by other operators. So we strongly your view that modern technology, it must be possible to identify the actual revenue generated by each operator on a train by train basis. However, this does not need more on-rail competition although it would provide more transparency over the impact of open access operators on the taxpayer.

Whilst you discuss the Office of Rail and Road Regulation’s apply a not “primarily not abstractive” test when considering the revenue implications on franchise operators of additional open access trains, we are surprised by your acceptance that they apparently use a generative to abstractive ratio of “above 0.3” to inform their decisions when logic suggests that it should be at least 0.51,

In addressing the impact of more competition within the airline industry, you have not addressed the downsides for passengers. The recent decision by British Airways to reduce the seat pitch in their Club Europe cabins of their aircraft is a classic example of a business reducing costs to remain competitive but to the detriment of their customers.

**Empirical evidence: would greater on-rail competition deliver efficiency gains:**

It is clear that the freight operators have done a good job in reducing their overall costs to be more competitive. However, they still receive indirect subsidies through
lower track access charges and taxpayer funded enhancements. Indeed, without those subsidies it is likely that they would be uncompetitive with road and there would be a modal shift of freight away from rail. This re-enforces our earlier point that your paper does not give enough consideration to the strong competition that rail has from other modes of transport and being more competitive with other transport modes is far more important than more on-rail competition.

We consider that your paper should have given more consideration to the reasons why unit costs of staff in the passenger sector have increased. We suggest that they include:

- The fragmentation of the industry that has led to lower productivity. For example, at one time, and possibly still going on, train crews for the first train from, and last train back from Weymouth on services to/from Bristol where taxied to and from Westbury as the franchised operator no longer had Weymouth based crews,

- Competition to recruit drivers, and to a lesser extent other on-train staff, that has significantly driven up wage rates. When Arriva were running the Northern franchise over 10-years ago, they learned that lesson the hard way at Leeds. Paying lower wages resulted in a regular shortage of drivers, loss of revenue through train cancellations and a significant increase in recruitment and training costs.

Whilst we would expect the overall costs of existing open access operators to be lower than those of franchised operators because of the substantially lower track access charges they are being allowed to pay, are interested in your suggestion that more competition would deliver lower staff costs as it totally contradicts a report, also arguing for more on-rail competition, produced by MVA in 2009 for the then Office of Rail Regulation. Although redacted, the MVA report identified that “Only Wrexham and Shropshire achieves costs per train kilometre substantially less than those of the existing franchise operator, but this is with trains only half as long”. So how have you reached your conclusion?

It is our view that the conclusion reached by MVA is a logical assessment of how the Labour Market works in practice. At Newcastle, Grand Central have to compete for drivers with Virgin, Cross-Country and Northern. Any attempt to pay below the market rate is likely to have implications for their business. We consider that you should have identified the wage rates paid to on-train staff between the long-distance operators on the ECML to support your view that more on-rail competition would reduce operating costs.

We also see it is as almost inevitable that any proposal to increase the number of paths on the East Coast Main Line allocated to open access operators would further increase their costs. If they are allocated two paths per hour they cannot escape the need for peak-hour provision and this would surely preclude the use of short trains on the route. Equally they would have to take their share of the provision of the more lightly loaded early morning and late evening services. The straight transfer of paths from one business to another would certainly bring the TUPE regulations into force as well as all of the problems with harmonising wage rates.

You state that a number of employee’s at OAOs undertake multiple roles and use as an example the use of on-board staff to despatch trains rather than paying station staff to undertake this task but this is widespread practice within the industry. You
were also told that working practices at OAOs were more flexible than those under many historical agreements in the rail industry to support that assertion.

It is certainly true that OAOs currently avoid the cost of franchise bidding costs and the on-going cost of running franchises such as demonstrating that they are appropriately fulfilling their franchise duties but if they are to bid to operate services in the way you suggest, they are surely going to have to produce a robust business case to allow any authority to carry out due diligence on services on both their ability to run them and their financial stability.

We accept that the complexity of being a small train operation in terms of safety, transactional costs and regulatory processes are likely to result in dis-economies of scale for a small TOC and that OAOs would be more efficient if they were permitted to increase their services but would point out that it is exactly these costs that have increased for franchised operators through the fragmentation of the industry.

**Feasibility: barriers to, and opportunities for, greater on-rail competition**

The paper states that on-rail competition can have, and has had, a positive impact on the capacity identification and maximisation process because of the incentives for new entrants to identify additional capacity. That may be true but, in a letter, dated 30th October 2013, the ORR acknowledged that the ECML has seen a large increase in traffic, some of which has run ahead of enhancement programmes. You also state that the London Midland franchisee was incentivised by competition from Virgin Trains on the West Coast main Line to invest in new capacity in order to grow it’s revenue and to limit the opportunity for scarce paths to be consumed by competitors. Given the very limited number of stations where London Midland and Virgin are in competition is very limited, the logic that the service improvements were driven by competition seems tenuous at best. We suggest that setting out to limit of opportunities for scarce paths to be used by competitors is hardly good practice.

We have set out in some detail the impact of the lack of capacity on the East Coast Main Line and the journey time penalties for trains being overtaken en route. In our view, it is absolutely clear that it will not be possible to allow operators to decide on their ideal stopping pattern on the route unless there is a massive increase in track capacity that could only be delivered at huge cost.

Whilst the markets from both Edinburgh and Newcastle and London are important, it is a matter of fact that the overwhelming majority of long-distance journeys on the East Coast Main Line are generated by stations south of Newcastle, with around one-third to/from London coming from Newark and stations south. Balancing the various markets to optimise the economies of the regions it serves is a key requirement. It is difficult to see how that can be done without at least a notional timetable.

Without a notional, or development timetable together with rolling stock and crew diagrams how can costs be effectively assessed? The ill-considered proposal by National Express to operate alternative services from London to Lincoln and York illustrates this. The different journey times simply guaranteed poor rolling stock and crew utilisation.

The development timetables prepared for Network Rail to inform the Office of Road and Rail Regulation over the current track access applications they are currently considering for the East Coast Main Line illustrate the problems. All of them reduce connectivity across the entire route. All of the scenarios propose withdrawal of
through trains between Newark and Edinburgh. Connectivity between the East Midlands and Scotland is poor unless you live or work within reasonable driving distance of East Midlands Airport. As a consequence, a significant number of people from east and north Nottinghamshire and from large parts of Lincolnshire chose to drive to Newark and catch one of the two-hourly through trains to Edinburgh. So on what basis is it acceptable to withdraw these trains?

The worst case timetable scenario would be a disaster for Newark. Not only does it reduce northern destinations from Newark to just Doncaster, Wakefield and Leeds, it also provides a 2ph service from London departing 10-minutes apart. Given the number of journeys between Newark and London, do you really consider that acceptable and on what basis?

There are also lessons to be learned from the May 2011 timetable. A key feature of the development of that timetable was that it tried to meet the aspirations of all 13 operators that use the route and did not prioritise services that generate most revenue or optimise the contribution of the railway to the national economy.

We consider that the current policy of treating all services on a route as equal is poor business practice. What is the logic in treating profitable services on the same basis as those that are heavily subsidised?

It is unclear from your report who would be responsible for developing timetables for each route, who would prioritise them and who would ensure that capacity on that route is optimised to the benefit of passengers and the taxpayer and on what criteria.

We accept that operators are required by the Network Code to work together and there is some evidence that they do so particularly with making tickets interchangeable between them. However, the more operators there are on a route the more difficult it is to re-plan train services at short notice. Equipment failure is usually instantaneous and to minimise disruption, there needs to be an instant response. We consider there is some evidence that this does not always happen and that you need to undertake more research to identify the impact your proposals for more on-rail competition would have on service recovery.

Conclusions

In a previous consultation document promoting more on-line competition, the Office of Rail Regulation stated that “in order to deliver value for money, GB's railways need to provide what their customers and society want at a price that they are willing to pay”. We totally agree with that.

On the basis of the experience from on-rail competition on the East Coast Main Line over the last decade, we do not share your view that the results indicate that there should be more internal competition. We do not see the lack of journey time improvements for 24-years, consistent unreliability of long-distance trains and the failure to optimise the capacity of the infrastructure on the East Coast Main Line as a success story.

We do not see the existing method of franchising rail services as very effective. The Government’s requirements are too prescriptive and bidders to operate franchised services should be encouraged to submit non-compliant bids as well as compliant ones so that the Government has more options in deciding how to improve train services. We also consider that the present system that provides for a train operator to enter into agreement with one government department (the DfT) and then have to
negotiate for access rights to deliver that agreement with another government department (the ORR) is both bureaucratic and poor business practice.

We do not see further on-rail competition in isolation from that provided by other modes of transport as a good option and believe that the major objective should be to make rail support the economy by being more competitive with road and air.

We also see no evidence that open access operators are likely to be more responsive to the needs of passengers. In our experience, the franchise operators that we deal with, currently Virgin Trains East Coast and East Midlands Trains are very responsive to issues we have put to them.

Even if there was only one operator, we consider that to optimise journey opportunities, connectivity, line capacity, journey times, reliability and rolling stock utilisation is a very challenging task. It requires development of a series of options to establish a timetable that is workable. We therefore have serious reservations about the delivery of any of your proposals to increase on-rail competition on the East Coast Main Line because:

- Without a major, and probably unaffordable, increase in track capacity on the route there is simply not the flexibility to provide for all operators to run at times and serve stations that optimise their individual requirements,

- There are already thirteen train operators using the ECML and very little consensus between them. All of your proposals are likely to increase the number of operators on the route and make reaching agreement even more difficult,

- It is unclear how timetables would be developed and the criteria for the allocation of paths when demand exceeds supply,

- Your proposals would increase the complexity of railway industry rather than simplify it.

In addition, we have concerns about:

- The impact of your proposals on connectivity across the route. All of the recent development timetables so far prepared by Network Rail for the ORR reduce connectivity, some drastically,

- The impact of even more operators on the ECML on the industry’s ability to recover quickly from unplanned events such as equipment failure.

Given the major impact that your proposals would have on the railway industry, we are very disappointed that you:

- Appear to give credence to information without any supporting evidence - “we were told that” without detailed evidence to support the statement is just not good enough,

- Quote statements from newspaper articles, scarcely the most reliable source of information.

Surely it should have been possible to:
• Obtain details of wages paid to drivers by franchised and open access operators at places where they are in competition at places like Newcastle to support the claim that open access costs are lower?

• Carry out basic research to support the claim that train despatch by on-train staff is an innovation by OAOs. From this, you would have found out that it is totally untrue as it is a practice that has been in use well before privatisation of the railways. As an example, at intermediate stations between Swindon and Gloucester where 8-coach trains with slam door rolling stock are despatched by Train Managers.

Newark Business Club
13th October 2015