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**Priffyrdd, Trafnidiaeth & Ailgylchu
Highways, Transport & Recycling
Cyngor Sir Powys County Council
Neuadd y Sir/County Hall**
Llandrindod Wells, Powys, LD1 5LG

Competition & Markets Authority,
Victoria House,
37 Southampton Row,
LONDON,
WC1B 4AD

Dyddiad / Date: 16ed o Hydref 2015 / 04 March 2016

Annwyl Syr neu Fadam / Dear Sir or Madam,

RE: Consultation on 'Competition in passenger railway services in Great Britain':

Please find below the response of Cyngor Sir Powys / Powys County Council to this consultation.

1) We feel that the competition options that the CMA outlines (and that we sense the CMA advocates), particularly those of 'overlapping franchises' and 'open access operators,' are to some extent generated by a classic economics agenda that does not reflect the reality of passenger experience on the 'day to day' rail industry. We believe that widespread 'on-rail competition' is, in general, not in the interests of passengers and would only exacerbate the very real confusion that many passengers have about ticket period validities and which services and operators they are permitted to use. We know from our own observations in the West Midlands that competition by 'overlapping franchises,' in this case Virgin West Coast, Cross Country and London Midland with their ranges of 'own operator' tickets, is the cause of confusion and distress to many members of the travelling public who really do not understand the distinction between operators, and is also the cause of conflict between the public and railway staff.

2) With regard to 'open access operators.' We agree that they have been successful on a number of 'niche routes' on which franchise operators have not chosen to provide either any services or regular services. We acknowledge that some 'OA' operators achieve high passenger satisfaction scores but for the most part this is against a background of a limited range of services. Like ATOC we are concerned that 'OA' operators do not pay the full cost of their operations or of network development costs. We are also concerned about the issue of revenue abstraction from franchised operators who are obliged to offer a wide range of services at frequent intervals. We are doubtful that the current mechanism to deal with revenue abstraction is adequate in reflecting abstraction from the revenue streams of franchised operators. In general, we believe that a widespread expansion of open

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access operations would be destabilising the Network both operationally and financially.

3) We would draw CMA's attention to the outcomes contained in the current Office for Rail and Roads consultation 'System operation – a consultation on making better use of the railway network' and ask them to consider if the concept of increased 'on-rail' competition is not partly or wholly inimical to some or all of these outcomes.

4) Over the last 10 years the British railway network has seen a 60% growth in passenger journeys and 10% in freight. The growth expected on the mid Wales Cambrian lines from Aberystwyth and Pwllheli to Birmingham International is forecast to be 21% by 2023 and 78% by 2043. Consequently, Cambrian services will already be competing against rail growth in adjacent areas. For example the West Midlands Integrated Transport Authority (WMITA) is currently consulting on its Strategic Transport Plan prompted by the UK Government's rail devolution plans for the English regions. WMITA is planning to increase urban services in and around Wolverhampton, Birmingham and Coventry. It is very possible that some of these will utilise rail path capacity currently used by Cambrian services to access Birmingham International, or even potentially Birmingham New Street. Consequently the Wales & Borders franchise would be competing for capacity against the other operators currently using these lines. In view of this we hope that CMA will understand our anxiety that proposals for further 'on-rail' completion will deprive mid Wales of the connectivity it badly needs to develop our fragile regional economy.

5) To elaborate on paragraph 5e above. We are already concerned that under certain interpretations of outcomes b) 'Choosing the right investment,' c) 'Making the right trade-offs' and e) 'The right services use the Network' in the Office for Rail and Roads consultation 'System operation – a consultation on making better use of the railway network' the needs of the Wales & Borders franchise operator will be considered to be marginal in relation to the growth strategies of other operators.

6) We believe it is essential for the economic and social development of the mid Wales region that Cambrian and Heart of Wales (Swansea / Llanelli – Shrewsbury – Crewe) lines services are not disadvantaged in favour of the high volume operators Virgin West Coast Trains, Arriva Cross Country, London Midland, or any open access operators which may operate between and into the main West Coast Main Line centres of population. Welsh services through to the West Midlands and Greater Manchester must not be prevented from achieving growth over the coming years through 'trading-off.' Failure to ensure growth would have gravely deleterious effects on the economic development of our region which is always struggling because of its relative remoteness, deep rurality and poor transport infrastructure. Conversely, such an outcome would also impact adversely on people in the English conurbations who rely on good connectivity to destinations west of Shrewsbury for social and recreational reasons. We would like to emphasise to CMA that any positive decision in favour of open access operation may have ramifications far beyond the main lines or the railway industry.

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7) Over the years the mid Wales local authorities have interacted with Network Rail when trying to take forward new projects for infrastructure improvements, such as level crossing replacements, improved line capacity, station enhancements, and inter-modal interchanges. We have felt that NR's capacity to engage with us has often been constrained and we have concerns that the scenarios contained within your consultation may divert NR attention away from the regional network in favour of providing additional capacity of the West Coast Main Line for purposes of 'on-rail competition.'

8) Finally, we are doubtful of Network Rail's claims that in-cab transmission-based signalling systems such as ERTMS will deliver up to 40% increases in line capacity on some sections on the 'classic' railway system as these will always be characterised by the requirements of 'capacity-draining' train stopping patterns and, for the foreseeable future, sub-optimal infrastructure, permanent way and station layouts. Consequently we would urge the CMA to recommend that no further expansion of open access operation takes place on the West Coast Main Line and / or its allied routes until the full implementation of the High Speed 2 network.

Yn gywir / Yours faithfully,

Marc Lewis.

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