

Department for **Transport**

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30 October 2009

Dear Mike

REMEDIAL PLAN NOTICE PURSUANT TO PARAGRAPH 1.1 OF SCHEDULE 10.1 OF THE NATIONAL RAIL FRANCHISE TERMS (THE "TERMS")

The Secretary of State for Transport (the "**Secretary of State**") and London & Birmingham Railway Limited (the "**Franchisee**") entered into a franchise agreement (the "**Franchise Agreement**") incorporating the Terms on 20 June 2007 pursuant to section 23(1) of the Railways Act 1993 (the "**Act**").

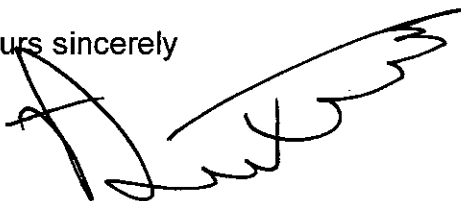
Words and expressions defined in the Franchise Agreement have the same meaning when used herein unless the context otherwise implies.

The Franchisee has contravened the Cancellations Benchmark regime contained in Schedule 7.1 of the Terms (the "**Relevant Terms**") by exceeding the Default Performance Level in respect of Cancellations and Partial Cancellations as set out in Appendix 5 (Cancellation Benchmark Table) to the Franchise Agreement for Franchisee Reporting Period 6 of Franchisee Year 3 (the "**Contravention**").

The Franchisee is required to propose to the Secretary of State for Transport such steps as the Franchisee considers appropriate for the purpose of securing or facilitating compliance with the Relevant Terms by preparing a remedial plan (the "**Remedial Plan**") in accordance with paragraph 1.3 of Schedule 10.1 of the Terms. The Franchisee is required to submit the Remedial Plan to the Secretary of State by 23 November 2009.

This Notice is without prejudice to any action the Secretary of State may take in relation to any other contravention of the Franchise Agreement, including the Contravention identified herein.

Yours sincerely



Tim Buxton
For and on behalf of the Secretary of State