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OFFICE *of the*
RAIL REGULATOR

Network Rail Infrastructure Limited
40 Melton Street
London
NW1 2EE

RAILWAYS ACT 1993

NETWORK LICENCE CONDITION 12 - CONSENT OF THE RAIL REGULATOR

1. The licence holder has, by a letter dated 6 March 2003, applied to the Regulator for the Regulator's consent under paragraph 1 of Condition 12 of the network licence to a proposed arrangement ("the proposed arrangement") under which the licence holder would make payments to Great Western Trains Company Limited in consideration of Great Western Trains Company Limited providing a "standby" train. It is intended that the provision of that standby train will improve the punctuality and performance of services for the carriage of passengers by railway. The proposed arrangement would cover a period commencing on the Summer Change Date 2003 and ending on the day immediately before the Summer Change Date 2004.

2. The proposed arrangement entails the licence holder carrying on an activity other than the Permitted Business.

3. Under Condition 12 of the network licence, the Regulator, having regard to his duties under section 4 of the Railways Act, to the terms of the licence holder's application and to other information supplied by the licence holder and Great Western Trains Company Limited, consents for the purposes of paragraph 1 of Condition 12 to the licence holder carrying on the activity required of it under the proposed arrangement as described to the Regulator before the grant of this consent.

TIM MARTIN

Director of Infrastructure & Economic Regulation

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INVESTOR IN PEOPLE

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4. This consent is conditional on:

- (a) within two months of this consent, the licence holder providing to the Regulator its forecast assessment of the savings in delay minutes and performance payments resulting from the proposed arrangement;
- (b) the licence holder providing to the Regulator its assessment of delay minutes and performance payments saved each quarter, as a result of the proposed arrangement (the first such assessment to be provided within five months of the Summer Change Date 2003 and subsequent three assessments to be provided at the end of each successive period of three months following the first assessment); and
- (c) within two months of the date of this consent, the licence holder:
 - (i) making public the existence of the agreement with Great Western Trains Company Limited; and
 - (ii) providing to the Regulator and publishing the criteria which it would apply in considering whether to enter into any other arrangement to finance or assist in financing the acquisition or provision of a train or of rolling stock by an operator of trains.

5. In this consent:

“licence holder”	means the holder of the network licence;
“network licence”	means the licence granted to Network Rail Infrastructure Limited (formerly known as Railtrack PLC) by the Secretary of State for Transport on 31 March 1994, as amended from time to time;



“Passenger Change Date”	means any of the dates upon which significant changes may be made to a Passenger Timetable, being those dates decided by Network Rail after consultation with each Bidder pursuant to Condition D1.4 of its Track Access Conditions and taking due cognisance of the dates specified by the European Passenger Timetable Conference;
“Passenger Timetable”	means any timetable of railway passenger services published or procured to be published to the public by Network Rail;
“Permitted Business”	has the meaning in Part II of the network licence as at the date of this consent;
“the Railways Act”	means the Railways Act 1993 (as amended);
“Summer Change Date”	means the first Passenger Change Date falling after the first day of April in any calendar year.

6. Terms and expressions defined in the Railways Act shall, unless the contrary intention appears, have the same meanings in this consent.

Granted this 10th day of April 2003

A handwritten signature in black ink that reads "Tim Martin".

TIM MARTIN, Chief Economist, Office of the Rail Regulator
For and on behalf of the Rail Regulator