

Joel Strange
Kings Place
90 York Way
London
N1 9AG

16 November 2012

Dear Joel

As we are not a Station Facility Owner (SFO) our concerns revolve around any changes which could impact upon the way in which Open Access operators are charged as station beneficiaries by the SFO.

I have answered specific questions detailed in the document 'First consultation on the station Long Term Charge in CP5' below.

1. Do you agree that the established LTC structure should be retained in broadly its current form in CP5?

The current LTC structure works suitably and we are happy that the structure broadly remains the same.

2. Do you agree that the cost of capital associated with stations should continue to be excluded from the LTC?

As above the current structure works suitably, therefore we see no reason for the capital cost to be introduced into the LTC.

3. Do you agree that SISS costs should be recovered by means of the LTC rather than the fixed charges in CP5?

We are happy with SISS costs being recovered by means of the LTC. By moving the costs into the LTC we would hope to see a greater breakdown of these specific costs to ensure station beneficiaries have a full understanding of what the charge is covering.

As mentioned in the consultation paper, SISS are key components of the passenger experience at stations. As a result of the SISS costs being recovered as part of the LTC we would expect that all stations would have a minimum quality of SISS to ensure a greater passenger experience even at smaller stations.

4. As a general principle, do you agree that the industry should move to a portfolio charging structure for the LTC in CP5?

As we are not SFO for any stations changing to a portfolio based charging structure has no impact upon us. However we would urge Network Rail to ensure any changes the charging structure between NR and SFO's does not affect the relationship and charging structure between SFO's and beneficiaries.

Following the workshop attended in Manchester, It seemed there was little support for a change in charging structure and current SFO's are quite comfortable with the current structure. If this does come out in other operator's responses to the consultation we would see no need to change the current process.

5. Do you agree with the specific approach to portfolio billing described in the preceding paragraphs?

As long as there is no detrimental impact on billing that takes place between SFO's and station beneficiaries.

6. Do you agree with the proposed methodology for translating expenditure into charges at franchised stations in CP5?

The process seems reasonable.

7. Do you agree with the proposed methodology for translating expenditure into charges at managed stations in CP5?

The process seems reasonable.

8. Do you agree that for Managed Stations SISS maintenance and repair should be brought together as a landlord responsibility, and therefore be included in the LTC for CP5?

It seems sensible for SISS maintenance and repair to be brought together as landlord responsibility. We would hope that this would lead to an improvement in the quality of SISS at specific stations.

Yours sincerely,

Chris Brandon
Alliance Rail Holdings