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The Shaw Report.  
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### **The Future Shape and Financing of Network Rail (The Scope)**

Dear Nicola,

We would like to thank you for taking the time to talk with us, both informally and formally, via your planned briefing session in London on the 8<sup>th</sup> December 2015. Whilst, in the medium term, the future of the freight sector has some great prospects for continued growth, the headwinds in the market just now are very strong. With more than a 60% decline in Energy Supply Industry Coal (ESI – Coal), combined with a market shock in the steel-manufacturing sector, just some of the unprecedented challenges facing our have occurred for our businesses.

One element which has supported the sector through this time, and continues to do so, is the stability and predictability of Network Rail and its behaviours, both good and ill, that we have become accustomed to. Indeed our Managing Director, John Smith, remarked that the service offered by Network Rail is the best he has seen in his 36 years' working on and in Britain's railway. We all agreed at your London briefing that this is a very important point that should not be lost as part of your work.

That said, there are a number of ways in which the mechanics and mechanisms can be tweaked to improve output and value for money. We absolutely support your review and offered your team some time to come along and speak with John Smith about the unique elements of the freight sectors that so often get overlooked in reviews and reports of this nature.

Enclosed is a copy of our responses to your 29 questions and whilst some of the questions are not necessarily in areas where we hold a depth of skill and expertise, we have attempted to answer them all.

Please afford our open invitation to your team to confer on, or test, any of the thinking in our responses. We are willing to do whatever is in our power to ensure the conclusions in your report set the right course for the next few decades of Britain's railways at the heart of land transportation.

Yours sincerely,

Duncan Clark  
**Head of Strategic Development**