

First Greater Western Limited
Milford House
1 Milford Street
Swindon
SN1 1HL

Attention: Company Secretary

Tim Buxton
Divisional Manager

Department for Transport
3/31 Great Minster House
76 Marsham Street
London
SW1P 4DR

020 7944 5905
Tim.Buxton@dft.gsi.gov.uk
Ourref: DfT/NRFT/Sch1.1/319

10 June 2009

Dear Sir

CONSIDERATION OF ENFORCEMENT UNDER THE RAILWAYS ACT 1993 (THE "ACT") AS AMENDED BY THE TRANSPORT ACT 2000 AND THE RAILWAYS ACT 2005

The Secretary of State for Transport (the "**Secretary of State**") and First Great Western ("**FGW**") entered into a franchise agreement (the "**Franchise Agreement**") on 12 December 2005 pursuant to section 23(1) of the Act.

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

On 23 March 2009 at the DfT/FGW monthly meeting FGW was notified that it had contravened paragraphs 9, 10.2(b) and 10.3 of Schedule 1.1 in the National Rail Franchise Terms ("NRFT") the ("**Relevant Clause**") by failing to use its track access rights to ensure that the December 2008 Timetable complied with the Service Level Commitment ("SLC") the ("**Contravention**").

DfT understands that FGW has agreed to take, and is taking, the following steps in order to secure compliance with the Relevant Clause:

- Produce and implement a detailed process which sets out how FGW will deal with compliance in the future; and
- Ongoing review and improvement of the process.

In accordance with Section 55(5B)(a) of the Act, the Secretary of State does not consider it appropriate to take enforcement action under the Act and is satisfied, having regard to the above-mentioned steps, that FGW is taking all appropriate steps for the time being for the purposes of securing compliance with the Relevant Clause.

This letter is without prejudice to any action (including action under the Franchise Agreement) that the Secretary of State may take in relation to any contravention of the Franchise Agreement, including the contravention identified herein.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Tim Buxton', with a stylized flourish at the end.

Tim Buxton
For and on behalf of the Secretary of State