

Department for **Transport**

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Our ref: DfT/RA/Sec23/172

26 February 2008

Dear Andrew

BREACH NOTICE PURSUANT TO A FRANCHISE AGREEMENT ENTERED INTO BETWEEN THE SECRETARY OF STATE FOR TRANSPORT AND FIRST GREATER WESTERN LIMITED ON 12 DECEMBER 2005 (THE "FRANCHISE AGREEMENT")

The Secretary of State for Transport (the "**Secretary of State**") and First Greater Western Limited (the "**Franchisee**") entered into the Franchise Agreement incorporating the National Rail Franchise Terms (the "**Terms**") pursuant to section 23(1) of the Railways Act 1993 (the "**Act**").

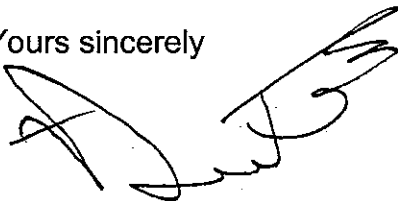
Words and expressions defined in the Franchise Agreement have the same meaning when used herein unless the context otherwise implies.

The Franchisee has contravened its obligation to report to the Secretary of State the total number of Cancellations or Partial Cancellations in accordance with the relevant requirements of Appendix 3 (*Operational Information*) to Schedule 13 (*Information and Industry Initiatives*) of the Terms (the "**Relevant Terms**") by not reporting accurately the number of Cancellations or Partial Cancellations (the "**Breach**").

The Franchisee has advised the Department for Transport that it has taken appropriate steps to remedy the Breach for the purposes of securing compliance with the Relevant Terms. The Franchisee is required to remedy the breach to the satisfaction of the Secretary of State and is required to submit evidence of such remedy to the Secretary of State by Thursday 28 February 2008.

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 for the avoidance of doubt, the Breach identified herein.

Yours sincerely



Tim Buxton
For and on behalf of the
Secretary of State