

You ask me to set out in more detail the investment commitments in the FGW franchise agreement mentioned in my earlier letter. Firstly, FGW is committed to constructing and bringing into service a new maintenance and servicing facility for the former Wessex Trains fleet of diesel multiple unit trains adjacent to the existing FGW depot in Bristol. This is planned to come into use from this December. Secondly, the franchise agreement commits FGW to investing in reliability improvements to the former Wessex Trains fleet, including the trains used on the Portsmouth to Cardiff route. The improvements, which vary according to the type of train, include modifications to the electrical systems, doors, underframes, engines, transmissions, couplings, air systems, engine cooling systems and brakes. The franchise agreement commits FGW to finalising the modification programme by March 2008. There is also a commitment to refurbish the train interiors, with the ex-Wessex Trains fleet to have been completed by September 2007. A second internal refurbishment is also required at a later stage in the franchise.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter West', written over a horizontal line.

Peter West
Franchise Manager