

# Office of the PPP Arbiter

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**Announcement 01/10**

**24 February 2010**

## **PPP Arbiter updates timetable for Periodic Review reference**

Given the number of representations recently received from London Underground and Tube Lines on his draft directions published on 17 December, Chris Bolt, the Arbiter for the London Underground Public-Private Partnership (PPP) Agreements, has deferred the date for publishing his final directions on costs, and draft directions on pricing and financing, from 4 March to 10 March.

The Arbiter consulted London Underground and Tube Lines on this deferral. Reflecting the views they expressed, and the importance of completing the review and implementing contractual changes before the start of the next review period on 1 July 2010, the revised timetable (attached) shortens the remaining stages of the review to maintain the same end date. However, the Arbiter will continue to keep the timetable under review to take account of developments during the reference process and any further representations from the Parties.

**ENDS**

For queries, contact:

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## Tube Lines Periodic Review: updated reference timetable

10 March	<p>Publication of final directions and final guidance on:</p> <ul style="list-style-type: none"><li>• costs</li><li>• performance revenues</li><li>• access allowances</li></ul> <p>Publication of draft directions on:</p> <ul style="list-style-type: none"><li>• the level and profile of the ISC</li><li>• need for base/eligible finance</li><li>• terms of finance</li><li>• ability to finance</li><li>• fixed amounts and RPIX</li></ul>
9 April	<p>Final date for representations on draft directions issued on 10 March</p>
29 April	<p>Publication of final directions on:</p> <ul style="list-style-type: none"><li>• material change in risk</li><li>• the level and profile of the ISC</li><li>• need for base/eligible finance</li><li>• terms of finance</li><li>• ability to finance</li><li>• fixed amounts and RPIX</li></ul>

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## Notes

1. The PPP Agreements contain provisions for a Periodic Review to take place every 7<sup>1</sup>/<sub>2</sub> years. On 8 December 2008, London Underground issued restated contract terms for Tube Lines and set an Affordability Constraint; Tube Lines responded to this on 30 June 2009 with updated pricing. The contract allows time for a period of negotiation or for a reference to the Arbiter for directions on future pricing, prior to the start of the second 7<sup>1</sup>/<sub>2</sub> year review period for Tube Lines on 1 July 2010. London Underground submitted such a reference on 23 September 2009.
2. The current reference seeks direction or guidance on a number of matters including:
  - costs;
  - performance revenues;
  - Infrastructure Service Charge payments;
  - financing requirements

The full text of the reference application notice is published at

[http://www.ppparbiter.org.uk/files/uploads/o\\_direction/200992317650\\_Part%20A%20reference%20application%20notice.pdf](http://www.ppparbiter.org.uk/files/uploads/o_direction/200992317650_Part%20A%20reference%20application%20notice.pdf).

3. The reference is being handled in accordance with the Arbiter's Procedural Framework, which incorporates both a Procedural and Analytical approach to Periodic Review. These documents are published on the Arbiter's website, at <http://www.ppparbiter.org.uk/output/page25.asp?DocTypeID=10>.
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