



Trusted Advisors in Transport

Dear Colleagues,

We are delighted to welcome you to FCP's 21st birthday newsletter; a year in which we are taking the opportunity to recognise and celebrate the work FCP has carried out over the years and to say thank you to some of our past and current clients.



FCP was formed in 1996, when a group of board-level leaders from the recently-privatised UK railway industry came together

to form First Class Partnerships. Since then, FCP has consistently delivered successful outcomes to clients all around the world and in the last 12 months alone, we have performed client-work on every continent.

From my own perspective, my first exposure to FCP was when I worked in the former Booz Allen Hamilton Transport team and we teamed on a series of UK rail-related engagements in the early 2000s. I'm pleased to say that almost twenty years later, many of my former colleagues are now working with FCP today as clients or Associates.

At our Associates' event in the summer, Ian described our three pillars of people, projects and solutions. We have provided an update on progress against them in this newsletter, which we hope you will find interesting and useful.

- **People:** we continue to attract high-quality Associates to our network (now around 200) covering an enormous range of skills that apply across the transport sector.
- **Projects:** We have set out a snap-shot of some of our ongoing and new client-engagements.
- **Solutions:** We have been working hard to develop our suite of proprietary products, often in conjunction with Associates, academia and other partner firms.

If you would like to find out more, please talk to one of the Directors or named Associates. Finally, please do let us have any suggestions for future newsletters or business.

Best regards,

Geoff Smith, Director

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FCP Project: Commercialisation of Turkish Railways

In January 2017, the Turkish railway sector was formally restructured with the establishment of a separate infrastructure manager and traffic management authority (TCDD) and a train operating company for passenger and freight services (TCDD Transport). This is in line with EU requirements, in preparation for Turkey potentially joining the EU. The European Bank for Reconstruction and Development (EBRD) is seeking to support their commercialisation process through Technical Cooperation.



FCP has been appointed by the EBRD to undertake a high-level review of the Turkish rail sector to determine their preparedness for further liberalisation. Our brief includes a review of their traffic and markets, organisational structure, institutional and regulatory structures, business practices and IT systems required to transform the rail sector into a commercial entity. For each of these areas we will be benchmarking performance against international best practice, and recommend actions and steps required to enable Turkish railways to operate as a modern commercial enterprise.

In September, Geoff Smith and Vidhi Mohan visited Turkey to engage with the various organisations and stakeholders within the Turkish rail sector as well as collect data. They also visited production units, maintenance depots and logistics centres. The final report and presentation to the Turkish railways is due in early December.

FCP Project: Metrolinx RER Program

FCP's role in this massive project continues to grow. With the appointment of Phil Verster as CEO and Peter Zuk as Chief Capital Officer, Metrolinx has decided to follow our advice and procure the system using an integrated Design-Build-Finance-Operate and Maintain contract model. Martin Walsh, Steve Hoskins and Michael Schabas are providing leadership and experience to the procurement team, with technical and train operations support from Piers Connor and Richard Morris. Iryna



Terlecky is now helping Metrolinx with a review of their station planning work, while Tom Hill is participating in transferring the knowledge in our Initial Business Case model to a new model for use finalizing the system design. Mark Leving continues to lead a combined FCP-Metrolinx team completing the Reference Concept Design for the 450km system.

FCP Project: California High Speed Rail

Over the summer, we continued our successful partnership with North American supplier PFAL, to deliver our seventh piece of work for the California High Speed Rail Authority. This time, we reviewed the Authority's business plan for operating Phase 1 of the system, linking San Francisco to Anaheim.



CALIFORNIA
High-Speed Rail Authority

FCP carried out a detailed analysis of the ridership and revenue projections contained in the business plan and the cost of operating and maintaining the system. Overall, we found that the business plan was robust with

operating revenue exceeding operating costs, a key objective for the Authority. During the analysis, we identified a significant opportunity for the Authority to reduce capital expenditure on rolling stock by reducing the size of the planned fleet while still delivering the required level of capacity. We also made a series of recommendations to help the Authority refine the assumptions and costings in the Business Plan.

FCP's services have been retained by the Authority for a further 12 months. All of FCP's work for the Authority is available on their website and a link to the most recent item is below:

https://www.hsr.ca.gov/docs/about/funding_finance/20170227_HSR1465_TO6_Memo.pdf

Other recent and ongoing FCP Projects:

We have completed our report to the DfT on maximising 3rd party funding in UK rail and have shared the findings with Network Rail.



We have successfully helped Network Rail to overcome complex systems integration issues related to the introduction of new rolling stock onto the Great Western Railway.

An FCP team has supported Hitachi in its successful shortlisting for the HS2 rolling stock procurement.



We continue to be active in the rail franchising market, advising and supporting a number of TOCs.

FCP Solutions:

In addition to the **Wheel Rail Interface Management System** (WRIMS) described in our last newsletter, we have more recently:

Established an integrated service offering for **Depots** which provides a one-stop shop from business case through to handover into commercial operation.

Developed a **Rail Systems** proposition, to help clients with this complex aspect of the railway, which carries so much risk.

Commenced formal collaboration with Cambridge University's Engineering Design Centre to deliver and implement **Inclusive Design** methodologies to transport clients.

And finally....

We have a new Apprentice Gurmukh Jagdeev who joined us in August and is doing a great job. Please say hello if you haven't already.

FCP has set up a North American subsidiary, FCP Rail Inc, to service current clients across Canada and the USA.



FCP has become a member of the Canadian Council for Public Private Partnerships (www.pppcouncil.ca) and attended the 25th CCPPP convention in Toronto.

This month FCP is hosting tables at the Rail 100 Annual Dinner and the Railway Ball (as a Sponsor) and we look forward to seeing a number of our clients at these events.



Michael Schabas is speaking at the Beesley Strategy Lecture series at the IOD alongside the CEO of ORR. Meanwhile sales of Michael's book, the "Railway Metropolis" are doing very well on an international basis.

Geoff Smith and Ralph Goldney will be presenting at the EBRD's international logistics and port development seminar.

