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Thank you for your letter of 5 March, regarding the Govia Thameslink Railway (GTR) obligation for the extension of Oyster Pay As You Go (PAYG) to Gatwick.

The GTR Franchise Agreement set out that GTR 'shall use reasonable endeavours to extend Oyster PAYG to those areas bounded by and including' Gatwick Airport by 30 September 2015. This would include the stations Merstham, Redhill, Earlswood, Salfords and Horley. However, this would not include Reigate as this station sits outside the route to and from London Victoria and Gatwick.

The Department do not expect to see a change to the Travelcard Zone 6 boundary within any proposals received from the train operator on this matter, as this obligation is intended to deliver an extension to Oyster PAYG and contactless payments only.

Southern Railways has made good progress on this obligation, ahead of its merger into the GTR franchise in July 2015, and we do anticipate the extension to be in place by the obligation deadline. However, the Department is not currently able to progress this issue until any outstanding technical issues are worked though and Southern has obtained agreement from the London Scheme Council in line with normal industry procedures.

Thereafter, it will be for the Secretary of State to determine whether proposals demonstrate clear passenger benefits. Once he is able to do so he will also consider an assessment of the business case, specifically looking at affordability, operational impacts and wider implications for smart ticketing.