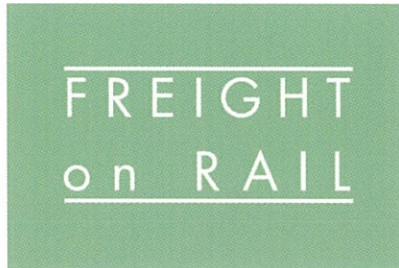




Rail Freight Group



Rail Freight Operators' Association

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5 April 2013

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Dear Anna,

As stakeholders in rail freight, we are writing to express our concern about the way in which ORR is approaching the industry.

During PR13 we have seen a large number of consultations on aspects of the regulatory and charging regime for rail freight. In almost every case, these have proposed, or concluded on, increased charges for customers, and increased risk for operators.

Aside from the impact of each proposal in turn, it is clear that there will be a cumulative impact on rail freight as a whole, since operations are in practice inter-dependent. We believe that the collective outcome risks a material loss of rail freight traffic, affecting all market sectors, which we consider to be unacceptable.

Although we have repeatedly requested it, we have seen no evidence that the ORR has undertaken any assessment of the total and cumulative impact of the various changes it is proposing or any attempt to co-ordinate the different changes to deliver an acceptable outcome.

This appears on the face of it to be contrary to the ORR's statutory duties, set out in the 1993 Railways Act (as amended), to promote the carriage of goods by rail and to allow freight operators to plan their businesses with a reasonable degree of assurance. It may also be contrary to the clear guidance given to the ORR by the Secretary of State for Transport in July 2012: that she *"wishes ORR to have regard ...to the importance of sustaining efficient and commercial predictable network-wide freight operations, including in decisions about access rights and charging structures."*

The ORR appears to lack an overarching strategy informing its approach to rail freight. Such a strategy would appear to be essential, both in setting out how the organisation proposes to fulfil its statutory duties and guidance, and in giving a context within which individual proposals can be set and assessed. In the absence of this, we remain unclear how our legitimate concerns over ORR's processes and decisions will be addressed.

We would therefore like the Board of the ORR to let us know how it proposes to ensure that the organisation's statutory duties and guidance with regard to rail freight are to be fulfilled. We would be happy to meet to discuss this with you, and to assist in taking forward any strategy or other action the Board may decide on.

Yours sincerely,



Maggie Simpson
Executive Director,
Rail Freight Group



Stephen Joseph
Chief Executive
Campaign for Better Transport



Lindsay Durham
Chair
Rail Freight Operators Association



Nigel Jones
Vice-Chair
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Philippa Edmunds
Freight on Rail

On behalf of:

James Hookham
Managing Director Policy & Communications
Freight Transport Association

John Smith
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Neil McNicholas
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Stephen Haynes
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