



ORR's rail freight customer event

October 2014

Summary

This note sets out the main themes and issues arising from the ORR rail freight customer event on 9 October 2014.

Background

In support of our strategic objective to improve the services received by rail freight customers we held a rail freight customer event on Thursday 9th October 2014. The event was an opportunity for attendees to learn more about ORR's role; to express their views on what ORR's priorities should be in the next five years and to discuss how best the ORR can engage directly with freight customers in the future.

ORR's chair, Anna Walker, gave some opening remarks on the importance of on-going engagement with freight customers and the lessons learnt from previous control periods, particularly in relation to charging structures in CP5. John Larkinson, director of economic regulation, gave an overview of the work that the office does and introduced ORR's potential new role on the strategic roads network. John and Anna were joined on the panel by our two guest speakers, Maggie Simpson, from the Rail Freight Group (RFG) and Chris MacRae, from the Freight Trade Association (FTA). Chris MacRae outlined the role of the FTA and some of the priorities its members have identified as crucial to the continuing growth of the domestic inter modal freight services. Maggie Simpson then went on to speak about the importance of strong rail regulation. She highlighted the importance of engagement between the rail regulator and freight customers - not only to ensure that ORR policy was informed by freight customer needs and commercial context but also so that freight customers had a clear understanding of the ORR's role and powers.

The question and answer session, which followed the presentations, was focused around three core questions:

- How engaged are you currently with other rail industry players?
- What would you like to see from the regulator? What are the key things you think we should be aware of?
- How do you want to engage with us in the future?

Themes and Issues raised

Engagement with others in the industry

- Freight customers were broadly content with current engagement with the industry but expressed a need for engagement with the Rail Delivery Group given the role it plays in shaping the future of the railways and the service it offers.
- Freight customers said that there has been a step change in engagement with the freight team within Network Rail but they would like to have better engagement at route level.
- Concern also at the problems in gaining traction for small scale investments which could bring major benefits to freight.

Issues that the regulator should be aware of

- There was a call for **longer term commitment and protection of investment** in rail and questions were raised over the length of ORR's control periods.
- Having access to a **7 day service** is important to freight customers.
- There have been **lessons learnt from CP5** as some confidence was lost here.
- There were not only financial consequences but there were also issues in the way that charges were communicated to freight customers. This was a major cause for concern for freight customers and they wish to see greater and earlier engagement over CP6.

Further engagement with the ORR:

- **ORR explained that 'freight customer' incorporated purchasers of rail freight services and their representative bodies but not the operators of the trains.**
- There was agreement in the room that more engagement between ORR and freight customers was welcome. Some wanted to see a package of engagement, including having both, **regular and annual meetings**. Broad agreement that this was to complement and not be substitute for direct engagement with the industry and that there would be circumstances in which the industry should also be present.
- A **freight customer landing page on the ORR website** was seen as an essential and practical solution for communication.