# Rail Freight

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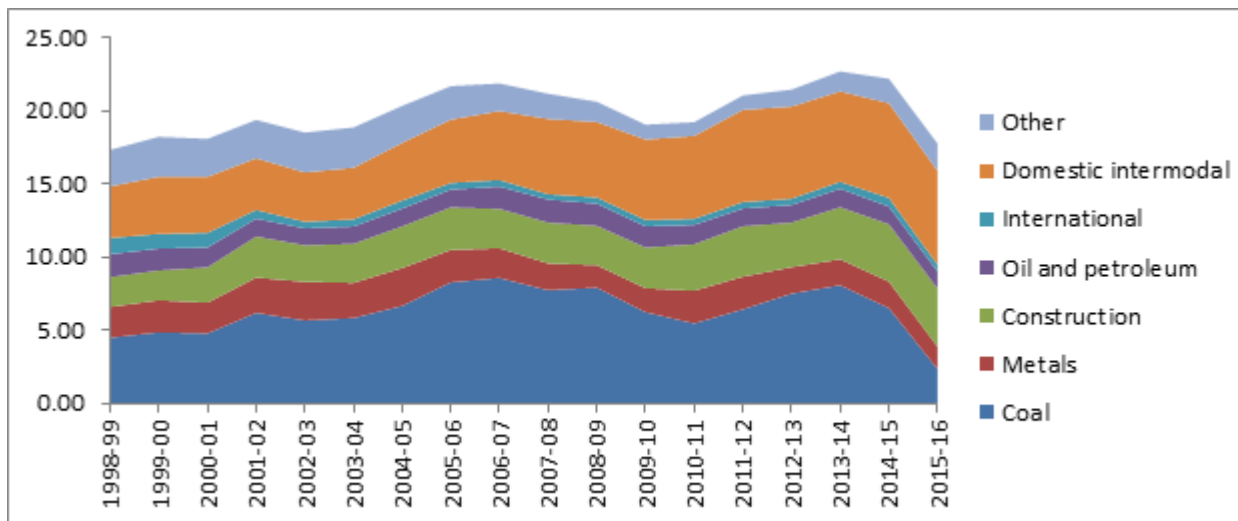28 November 2016

# Regulating rail freight
## - Fair access and treatment

- The freight market

- Enhancements

- Performance

- Track access

  – Casework

  – Access rights

  – European rules

- Discussion

# The freight market

## ■ Freight Rail Usage

- ■ **Freight lifted** fell to 18.8 million tonnes in 2016-17 Q1, a decrease of 15.3%. The amount of **coal lifted** was 2.7 million tonnes, a decrease of 52.1%.....

- ■ **Freight delay** in 2016-17 Q1 fell to 9.7 minutes per 100 train kilometres, a reduction of 6.1% compared to 2015-16 Q1…...

- ■ Total **freight train kilometres** was 8.37 million kilometres, a decrease of 0.6 million kilometres (-6.%) compared to 2015-16 Q1.

- ■ http://orr.gov.uk/__data/assets/pdf_file/0015/22902/freight-rail-usage-2016-17-quarter-1.pdf



- ■ Coal in decline

- ■ Still a busy network with competing demands

- ■ New markets opening up eg parcels, urban centres

- ■ Competition role eg FL undertakings

# Enhancements

- **Funded enhancements**

  - Government sets publicly funded enhancement priorities - recent Hendy review.  SFN £235M.

  - Governance of the fund works well through SFN steering group to identify schemes

  - Example bigger passing loops to enable longer more efficient trains

  - Felixstowe branch enhancements – an example where NR is working better with FOCs to report progress and decide best option to improve capacity

  - BUT NR's project delivery performance needs to be better

- **Private investment**

  - Ports and freight terminals

  - New/recycled rolling stock

- **DfT freight strategy**

  - Commitment to freight, looking  to unlock potential,

- NR freight study

# Freight performance

- **ORR holds NR to account**

  – PR13 and licence condition

- **Freight delivery metric for CP5 is 92.5%**

  – 15 minutes of scheduled arrival time

  – NR met this in all but one period but some specific issues

  – NR also measures lateness for departures and arrivals

  – Balance filling train vs leaving on time…..effect on performance

  – Industry working together to improve performance – lateness can have big impact on freight operators

- **Network capability**

  – NR funded to maintain published capability [line speed, gauge etc]

  – Freight reasonable expectation to go anywhere on network so expect NR to maintain all of the network

  – Holding NR to account - Freight performance improvement steering group; The Freight Attribution Delivery Group; The Network Capability Steering Group

- **Possessions**

  – Managing over-runs & minimising disruption (PDI-f measure 0.73 exit of CP5)

# Access and Licensing- casework

- **Framework agreements**
  - New TACs: 'big 5' TACs run to 2026, provides certainty
  - We decided between several passenger proposals for ECML but in doing so made sure freight needs considered
  - Streamlining general approval and updating guidance
  - Freight customer TACs available

- **Facility Access**
  - ORR approval needed for access agreements, if not exempted (s17 and s18)
  - Updating General Approval and new guidance
  - Appeals

- **Connection contracts**
  - Updated guidance & updating connection contracts

- **Licensing and licence exemptions**

- **NR land disposals**

# Access rights issues

- Timetabling and flexibility of rights to make better use of network

  – Windows instead of 'levels'

- Surrender of unused access rights,

  – 4,400 paths surrendered with 20% returned to strategic capacity

- Strategic capacity

  – Freight has to be reactive to customers' needs

  – Strategic Capacity Statement: new QJ virtual paths, flexing, working with TOCs, code of practice – explaining timetabling decisions

  – DfT/FOC working group

- Track access options

- Improving procedures – following up industry workshop

- Rail freight industry code of practice – industry solutions

# New European access rules

- **Service Providers**
  - The Railways (Access, Management and Licensing of Railway Undertakings) Regulations 2016
    - Information about facilities
      - Access
      - Charges
      - Information on website or via Network Statement
    - ORR is appeals body
    - New ORR guidance

- **Implementing Acts – service facilities, timetabling, framework agreements – opening up market**

- **Fourth Railway Package – "*the final step…*"**

- **European freight corridor**

- **European train control system**