

Margret Child

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Jules Graham
Customer Relationship Executive
Freight & National Passenger Operations
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Chris Connelly
Director of Commercial &
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Direct Rail Services Limited
Regents Court, Baron Way
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Dear Jules and Chris

Direct Rail Services Limited: Third Supplemental Agreement

1. On 28 November 2016 the Office of Rail and Road (**ORR**) approved the 3rd Supplemental Agreement (**SA**) to the track access contract (**TAC**) between Network Rail Infrastructure Limited (**Network Rail**) and Direct Rail Services Limited (**DRS**) under section 22 of the Railways Act 1993 (**the Act**). The agreement was formally submitted to us on 24 November 2016. This letter sets out the reasons for our decision.

Background

2. The SA is to make changes to Schedules 4 and 5 of DRS's current track access contract, converting its existing access rights to our new windows format and associated changes. It also adds twenty four rights with one hour windows and surrenders five access rights. This SA comes into effect on PCD 2016. Network Rail has confirmed that the changes to these rights have been approved by its Sale of Access Rights Panel.

Consultation

3. In line with the industry code of practice for TACs¹, Network Rail conducted a consultation of potentially affected operators and other interested parties. This ran from 20 April 2016 to 31 May 2016. A further 14 day consultation was conducted from 9 August 2016 to 30 August 2016 in respect of two new access rights and a modification to an existing right not included in the original consultation. There were no substantive comments or objections to either consultation.

ORR Review

4. We received an informal submission from Network Rail on 22 September 2016.
5. We identified that routing was prescriptive in the Rights Table. Network Rail amended the Rights Table to include non-contractual comments on the intermodal services. We

¹ http://orr.gov.uk/data/assets/pdf_file/0006/17592/code-of-practice-for-track-access-application-consultations.pdf

agreed to the nuclear and chemical services routings being specified as the parties said it was required for safety and security reasons.

6. We also asked that the intermediate points were justified in the Special Terms column, and that dwell times were completed with the actual time required to complete loading and unloading.
7. The parties also made some other minor drafting changes before formally submitting the SA to us on 24 November 2016. No additional industry consultation was required.

ORR Decision

8. This application is under section 22 of the Act and therefore is agreed between the parties, who are prepared to enter into the agreement as submitted.
9. In making this decision, we are satisfied that this decision reflects our duties under section 4 of the Act, in particular:
 - (i) to protect the interests of users of railway assets;
 - (ii) to promote the use of railway network in Great Britain for the carriage of passengers and goods and the development of that railway network, to the greatest extent ...economically practicable;
 - (iii) to promote efficiency and economy on the part of the persons providing railway services; and
 - (iv) to enable persons providing railway services to plan the future of their businesses with a reasonable degree of assurance.
10. Under clause 18.2.4 of the TAC, Network Rail is required to produce a conformed copy, within 28 days of any amendment being made, and send copies to ORR and DRS. I look forward to receiving the conformed copy.
11. In accordance with section 72 of the Act, we will place a copy of the 3rd SA on our public register.

Yours sincerely



Margret Child