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Dear Philip

On-rail competition: Consultation on options for change in open access

Thank you for providing the opportunity to respond and comment on the options for change in open access. Without prejudice this is the formal response of Freightliner Group Ltd (Freightliner), incorporating Freightliner Limited and Freightliner Heavy Haul Limited.

Freightliner believes that the provision of wider open access passenger operations is not likely to be limited by the regulatory process but by the limitations of network capacity. There is very limited capacity to permit further open access passenger operations on the major trunk routes.

Due to the lack of network paths we would question the justification for permitting further open access passenger operations given that they generally run short trains (4 or 5 car). This does not seem to be a cost-effective or robust use of scarce network capacity. We would urge more encouragement in the future to the running of longer passenger trains in existing paths rather than running more trains.

Freight growth is now very constrained by the lack of commercially viable paths, especially off-peak; freight operators have improved productivity by running longer trains to make better use of scarce capacity.

The indications are that ERTMS will reduce capacity not increase capacity so it should not be seen as a long-term panacea to further investment in infrastructure interventions for capacity.

It has been demonstrated during the optioneering work for the CP5 East Coast Connectivity Fund that the provision of additional freight paths delivers very high BCRs (in excess of 6:1) when compared to additional passenger services and deliver a high level of socio-economic benefits.

Option 1

Freightliner would support the status-quo as it considers efficient use of the network in determining applications.

Option 2

Relies on modelling with no long term certainty and permits abstraction from existing services which implies less efficient use of the network. It also adds regulatory complexity and transactional costs in running the railway which seems counter-productive. We do not support this option.

Option 3

Like Option 2 permits abstraction from existing services and implies less efficient use of the network. This option does not appear to take into affordability and we do not understand how this complies with the Access and Management Regulations. We not support this option.

There is a separate consultation underway on the Capacity Charge and the implications of the Capacity Charges should be considered in conjunction with the options for open-access.

We are happy for our response to be placed on the website and are happy to discuss our response in more detail should you require.

Yours sincerely

Chris Wilson

Chris Wilson
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