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13th September 2012

Dear Andrew,

Consultation of the Formalisation of the Rail Delivery Group.

This letter contains the response by DB Schenker Rail (UK) Limited ("DB Schenker") to the consultation document entitled "Consultation on the formalisation of the Rail Delivery Group" issued by the Office of Rail Regulation ("ORR") in July 2012.

DB Schenker is pleased to respond to this consultation and would like to make the following general points.

1. DB Schenker is a member of the Rail Delivery Group (RDG) and has played an active role both in the RDG and many of its workstreams since RDG was established by the industry in May 2011 in response to the call for leadership contained in Sir Roy McNulty's "Rail Value for Money" study.
2. DB Schenker is therefore fully supportive of the points made by the RDG itself in its response dated 30th July 2012 to this Consultation; we will not repeat these in this response save to specifically set out DB Schenker's;
 - a. endorsement of the role RDG sees for itself within the UK rail industry.
 - b. endorsement of the need for formalisation of the RDG to help drive forward the industry leadership that is essential both to delivering Governments' plans for the railway and to helping the rail industry support UK economic growth.
3. DB Schenker is, and remains, ready to perform a leadership member role within the RDG.

Response to Consultation questions

Please comment on whether you consider that the purpose of RDG set out in paragraphs 2.3 to 2.5 will drive the changes and improvements envisaged by the McNulty study (paragraph 2.6).

DB Schenker considers that the purpose and role of RDG described in paragraphs 2.3 to 2.5 will enable RDG to;

- drive the changes and improvements envisaged by the Rail Value for Money Study;
- lead the industry's response to the Command Paper and the High Level Output Specifications whilst meeting the needs of users and taxpayers.

Are you content with the proposed structure of the RDG board set out in paragraphs 2.16 to 2.24, particularly in terms of scope of representation and the criteria for membership (paragraph 2.25)?

DB Schenker is content with the proposed structure of the RDG board as set out in paragraphs 2.16 to 2.24. The membership structure for this;

- requires participation from those companies best placed to influence the efficient delivery of rail services;
- provides for leadership members to join and leave the RDG in accordance with transparent membership criteria.

Please comment on how you consider RDG could best engage with licensed and associate members (paragraph 2.30)?

DB Schenker understands that the way in which RDG engages with licensed and associate members will be critical to achieving its purpose and will require RDG to be transparent (and to be seen to be transparent) about its activities, albeit within the bounds of necessary confidentiality on some issues, and to communicate within and beyond the rail industry.

DB Schenker understands that, if these proposals are implemented, it would – along with Freightliner – have a responsibility to ensure adequate engagement with other licensed freight operating companies (probably via the Rail Freight Operators Association) as well as other freight stakeholders such the Rail Freight Group and the Freight Transport Association.

Important to engagement in general will be;

- RDG's leadership role for, and relationship with, existing cross-industry bodies such as National Task Force, Planning Oversight Group and Technology Strategy Leadership Group;
- Involvement of licensed and associate members with the policies and strategies that RDG is adopting. In part these will be connected to the production of the Strategic Business Plan and other communications related to the industry planning process, the High Level Output Specifications and the Periodic Review.
- The involvement of licensed and associate members in RDG's subject-specific working groups where they will have an essential role to play in developing and disseminating ideas, plans and actions.
- RDG's communication plan involving regular meetings with industry parties and stakeholders and an industry forum as appropriate;
- RDG continuing to publish information on its website and each year will hold an industry forum
- producing an annual report.

(For licensed train operators and Network Rail) - in view of these proposals would you be content to agree to the introduction of the new condition at Annex B into your licence? If not, what changes would you wish to see which would allow you to provide that agreement (paragraph 2.41)?

DB Schenker is content for the ORR to propose the licence modification at Annex B.

Will the proposed voting and quorum arrangements set out in paragraphs 2.45 to 2.47 provide you with assurance that any decisions taken by RDG had sufficient cross-industry support to justify implementation (paragraph 2.50)?

DB Schenker is content with the proposed voting and quorum arrangements.

Are there any specific commercial protections that you feel will need to be included within the competition compliance document (paragraph 2.53)?

DB Schenker recognises the importance of compliance with competition law.

Please comment on whether you consider the funding arrangements proposed in paragraphs 2.59 and 2.60 to be appropriate (paragraph 2.61)?

DB Schenker considers the proposed funding arrangements to be acceptable, to reflect the scale of Network Rail's activities and to be administratively pragmatic.

If you have any queries or would like clarification or amplification of any of the points in this response, please contact me.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Nigel Jones', with a long horizontal flourish extending to the right.

Nigel Jones
Head of Planning & Strategy