

Joe Quill Esq.
Office of Rail Regulation
One Kemble Street
London
WC2B 4AN

28th March 2013

Dear Joe

Direct Rail Services is pleased to respond to the Periodic Review 2013: consultation on a freight specific charge for biomass. We have no objections to this response being placed on the website.

Summary Response

As previously stated Direct Rail Services believe that any charges that have to be phased in are indicative of being too much and expecting a business to adjust to this is unreasonable.

This is particularly so to a business which is yet to establish itself and is already subsidised.

We have concerns that the ORR change of mind is clearly financially driven could influence investors, funders policy and operational decisions relating to the biomass industry and is yet again another indicator of pricing freight off rail.

As quoted "Biomass is an emerging market for which relatively little data are available."

We believe that to levy the proposed charges at this stage to be unsustainable and that the consultation should be aimed at CP6 on the understanding that the market does emerge and that more pertinent data becomes available by which to judge the markets capability.

This course of action would be viewed as more in keeping with the regulators regulatory obligations towards the freight industry.

John McGuinness
Industry Policy Adviser

Tel: 01228 406632
Mobile: 07880 502383
E-mail: john.mcguinness@drsl.co.uk

Direct Rail Services Limited
Kingmoor TMD
Etterby Road
Carlisle
CA3 9NZ