



FREIGHT TRANSPORT ASSOCIATION

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Copy to:

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Secretary, Rail Delivery Group  
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14<sup>th</sup> September 2012

Dear Andrew,

**FTA response to Office of Rail Regulation Consultation on the formalisation of the Rail Delivery Group**

Thank you for asking FTA to comment on ORR's consultation on the formalisation of the Rail Delivery Group. The Freight Transport Association (FTA) represents over 14,000 companies spread across the UK relying on or providing the transport of freight both domestically and internationally, to or from the UK. Our members involved in rail freight include shippers of bulk, deep sea and domestic intermodal and retail goods, and also freight operating companies and logistics service providers, accounting for approximately 90 per cent of goods moved by rail.

FTA's primary rail freight focus is to represent the shippers – the ultimate end users – of rail freight who make the decisions about modal choice. We are though also interested in the regulatory and operational policy architecture of the industry to the extent that it affects competition and shipper choice. Indeed we have the main rail freight operating companies in membership, together with logistics service providers and rail freight shippers. Due to our primary representational focus being upon the end users of rail freight services, we will not have detailed answers to give to all of the individual aspects of this further consultation as some will be necessarily more freight train operator focussed, but we will be commenting on the general principles.

Overall FTA does not oppose the formalisation of the RDG if this will help the rail industry deliver improvements through costs or operations that will ultimately benefit the end user of freight services.

**Question 1:** FTA notes that the purpose of RDG as set out in paragraphs 2.3 to 2.5 is to drive the changes and improvements envisaged by the McNulty study. In this regard we

believe that it is important that RDG becomes more proactively open about its activities. To date the information provided about the Group's activities has been minimal or reactive in nature. Those not involved in the highest level of discussions would be reassured if it was felt the Group was trying to keep industry informed of the direction of its work.

**Question 2:** FTA notes the proposed structure of the RDG board set out in paragraphs 2.16 to 2.24. In terms of scope of representation and the criteria for membership, while we instinctively feel that the three smaller FOCs should be able to be represented at the leadership level alongside DB Schenker and Freightliner, we recognise that they may individually have time resource issues. However, we do believe that if they individually wish to revisit this then that should be allowed. We also note the work done to ensure compliance with Competition Law.

As regards FTA, we would wish to apply for **associate membership** as a representative organisation as per paragraph 2.27.

**Question 3:** As per our answer to Question 1 above, we believe that it is important that RDG becomes more proactively open about its activities.

**Question 4:** FTA has no objection to the ORR proposal to propose a modification to Annex B for licensed train operators and Network Rail.

**Question 5:** Subject to our comment in Question 2, FTA has no objection to the proposed voting and quorum proposals.

**Question 6:** FTA notes the work done to ensure compliance with Competition Law: it is obviously vital that this is met with at all stages.

**Question 7:** FTA notes the funding arrangements proposed in paragraphs 2.59 and 2.60. We would stress that the formalisation of the RDG should not impose additional administrative burden or cost upon the industry.

I hope that you will find these comments useful. Please do not hesitate to contact us to discuss further any aspect of our response. We are content for these comments to be fully public.

Yours sincerely



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