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Kara Johnson Executive, Track Access Office of Rail Regulation One Kemble Street LONDON WC2B 4AN

22 July 2010

Dear Kara

Appeal Under Regulation 29 of The Railways Infrastructure (Access and Management) Regulations 2005 (the "Regulations") by DB Schenker Rail (UK) Limited ("DBS") regarding the Port of Felixstowe ("PoF").

Thank you for your letters of 6th and 16th July under which you forwarded to us letters from DBS dated 2nd and 15th July respectively.

We have decided not to comment at this point on DBS's letter of 2<sup>nd</sup> July as we believe we have already addressed the points raised in it in some detail in earlier correspondence with you. In particular we refer you to our letters to you dated 12 March, 3 June and 14 June.

With reference to DBS's letter of 15 July we note DBS's continued attempt to argue that HPUK has in some way been inconsistent in relation to its statements regarding the number of daily trains that might be able to operate to/from the rail terminals at PoF. This view is incorrect. HPUK has stated both in this appeal and in the separate planning applications that the ability of the rail terminals at PoF to handle more than 28 daily trains is dependent on both the freight operating companies ("FOCs") identifying through negotiation and discussion with Network Rail new paths on the branch line and PoF being able to identify matching rail terminal capacity – something which can only be achieved by improving the operational environment at PoF. HPUK has identified a number of ways of potentially achieving this some of which would require the co-operation of the FOCs. As stated in previous correspondence HPUK would have liked to have discussed some of these proposals with DBS but it instead decided to launch the current appeal.

Finally we have received your letter of today's date concerning your proposed handling of the appeal. We will respond in due course once we have received the additional letter you have said you are sending us.

Yours sincerely

Martin Woor

Senior Manager - Strategic Rail Network Development