



Network Rail (CTRL) Ltd
Singlewell Maintenance Depot
Henhurst Road
Cobham
Gravesend
Kent
DA12 3AN

Our Ref: 5648768

Graham Smith
Planning Director
English Welsh & Scottish Railway limited
310 Goswell Road
London
EC1V 7LW

17th September 2007

Dear Graham

HIGH SPEED 1 – TRACK ACCESS CHARGES

Thank you for your letter dated 24th April 2007 which sought clarification on the inputs of the Equivalent Million Gross Tonnes Per Annum (EMGTPA) model used for calculating freight access charges on High Speed 1.

Apologise for the delayed response to your letter but we do not have this expertise internally we had to seek external advice from the consultants who originally built the model for us.

In response to your questions you raised.

1) The degradation tools contained within the EMPGTA model have their origins in Europe so are more aligned with that of a high speed line as oppose to the domestic national network. This calculation was then compared to and supported by further bottom up MARPAS calculations.

2) The costs calculated are a detailed bottom up assessment based on the relative damage caused by each movement. I cannot compare directly with the French TGV network but feel our costs to be efficient when compared to adjacent Infrastructure Managers.

3) The usage charges for high speed passenger trains are calculated differently to that of freight as passenger services pay a fixed charge and a contribution to the *total* variable charge based on the anticipated usage of the network. As you are aware freight charging pays only the incremental cost of each movement therefore only a

limited number of maintenance activities are contained within the model and direct comparisons not possible.

4) 100% of the total freight charges proposed are usage related (there is no fixed costs).

5) The average network density on the CTRL will increase from circa 40 million tonnes to 80 million tonnes based on anticipated passenger growth of existing and new operators operating on the HSI network.

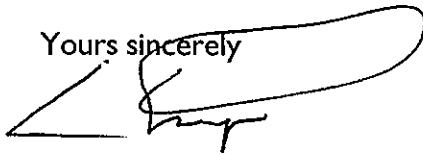
6), 7), 8) Whilst this information is available to us we are not prepared to share this at present.

9) The model breaks the route down into 16 sections which means depending on the journey undertaken the equated cost per km does vary slightly. The characteristics of each section such as differentials in line speed, volumes of traffic and infrastructure assets (i.e. slab track within tunnels) does cause slight variations.

10) The vehicle input data for freight rolling stock used in the model was originally provided by representatives of EWS Ltd.

I hope this has answered the questions raised and do not hesitate to contact me should you require any additional information. Alternatively, I understand my Business Manager, Anthony Barnes meets with Nigel Oatway your Track Access Manager four weekly to progress a 'normal' track access agreement.

Yours sincerely



Chris Rayner
Director, NR (CTRL)

Copies to:

Anthony Barnes
Graham Dalton
Michael Lee
Brian Blackwell

NR (CTRL) Ltd
Department for Transport
Office of Rail Regulation
CTRL (UK) Ltd