

Martin Jones

Deputy Director, Access, Licensing &
International
Telephone [redacted]
Email [redacted]



Mattias Bjornfors
London St. Pancras Highspeed
By email

6 May 2025

Dear Mattias

International Growth Incentive Scheme

Thank you for including ORR in your consultation on your proposed amendments to HS1's Network Statement to reflect your International Growth Incentive Scheme.

ORR supports HS1's intention of promoting growth in international rail services on HS1 and greater use of HS1's capacity.

ORR's role in regulating access to HS1 broadly comprises:

- Ensuring compliance with the requirements of The Railways (Access, Management and Licensing of Railways Undertakings) Regulations 2016 ("Rail Regulations") and other relevant legislation, this includes:
 - Oversight of the HS1 Network Statement
 - Approval of framework agreements between HS1 and its customers
 - Hearing appeals under Regulation 32 of the Rail Regulations
- Ensuring compliance with the requirements of the Competition Act 1998

Rail Regulations

We are content that the scheme as proposed meets the requirements for discounts in [schedule 3, paragraph 6](#) of the Rail Regulations. Broadly, the Rail Regulations permit time-limited discounts to encourage the development of new rail services or the use of under-utilised lines. Discounts must be non-discriminatory. Network Rail and Eurotunnel both already offer discounts in accordance with these requirements, and HS1 has previously included a discount policy in its Network Statement.

We note your intention to update your Network Statement at the conclusion of this consultation. This transparency is important in ensuring fairness and non-discrimination. We have not raised any issues in our response that we think would prevent you from proceeding to update your Network Statement promptly as planned.

Process and implementation

We note your intention to include clauses on the New Services Incentive within framework agreements. We agree this is appropriate as this contractual approach ensures all parties have clarity and certainty. We would expect to approve framework agreements which incorporate discounts offered in accordance with this policy.

We also note that you do not intend to include the Passenger Incentive within framework agreements. We agree this non-contractual approach is appropriate in this case as this part of the scheme is not a discount on track access charges, but rather a jointly administered marketing fund.

We understand that you do not intend to update the Passenger Access Terms, either as part of introducing the new discount policy generally, or for implementing individual discounts. As we have discussed, updating the Passenger Access Terms requires the agreement of all parties, and we would require sight of the proposed wording if you were minded to do this.

Supervision

After adoption of the proposed policy, ORR does not expect to be involved in the negotiation of each discount assuming they are conducted in accordance with the agreed policy. Instead, we suggest that you keep us informed if you are minded to offer a discount to an individual applicant and send us the draft terms before they are finally signed.

Competition promotion

The International Growth Incentive Scheme has the potential to promote and support competition by lowering barriers to entry for new and expanding international operators. We understand that eligibility for the scheme will be governed by transparent, objective, and non-discriminatory criteria, in line with the Competition Act 1998 and the Rail Regulations. It is essential that HS1 applies these principles consistently, avoiding any practice that could distort the market.

We welcome this initiative as a positive step toward fostering growth in the use of capacity on HS1. We would be happy to discuss the contents of this letter with you.

We will publish this letter on our website.

Yours sincerely

Martin Jones