



# Department for Transport

Paul McMahon,  
Managing Director, System Operator  
By E-mail

Dan Moore  
DIRECTOR  
RAIL STRATEGY & ANALYSIS  
DEPARTMENT FOR TRANSPORT  
DIRECT LINE ✕

Web Site: [www.dft.gov.uk](http://www.dft.gov.uk)

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## Freight Operating Companies – Track Access Contracts

Dear Paul

Thank you for you and your teams' engagement on the Freight Operating Companies' Track Access Contract extension applications. I am responding to this application on behalf of the Department for Transport.

The COVID-19 outbreak has had a significant impact on the finances of the Freight Operating Companies. The government is extremely grateful for their extensive and continuing efforts to keep critical freight moving to support our economy during this critical period. More generally, we remain strongly supportive of the rail freight sector – recognising both the economic benefits it provides and the important role it plays as we decarbonise transport.

Accordingly, in these circumstances and to particularly reflect the impacts of COVID-19, the Department for Transport supports the principle of an extension of Freight Operating Companies track access contracts. We recognise that this will be of benefit to the Operators businesses, providing certainty to encourage investment, as they continue to address the financial challenges and commercial risks caused by the crisis.

We support the ongoing collaborative discussions between yourselves at Network Rail and the Freight Operating Companies to agree an extension that can provide the greater certainty that the operators seek as part of their recovery, but on terms that provide flexibility to ensure space for future reform to improve our railways, and in line with the usual industry processes for the allocation of rights. We recognise that the Office of Rail and Road will consider the applications in line with the appropriate access regulations, including considering whether applications have the appropriate evidence against the specific requirements of the regulations relating to longer duration contracts.

I am copying this response to the Office of Rail and Road, the Freight Operating Companies, Rail Delivery Group and the Rail Freight Group.

Yours sincerely,

**Dan Moore**  
Director, Rail Strategy & Analysis, Department for Transport