



APPLICATION TO THE OFFICE OF RAIL AND ROAD FOR A FREIGHT TRACK ACCESS CONTRACT, OR AN AMENDMENT TO AN EXISTING CONTRACT

ORR ensures that train operating companies have fair access to the rail network and that best use is made of capacity.

Use this form to apply to the Office of Rail and Road (ORR) for:

- Directions under section 17 of *The Railways Act 1993* (the Act) for a new track access contract. This is for companies who want to use Network Rail's network where the parties are not able (for whatever reason) to reach agreement.
- Approval for a new track access contract under section 18 of the Act. This is for use where terms have been agreed by the parties.
- Approval of a proposed amendment to an existing track access contract, agreed by both parties, under section 22 of the Act.
- Directions under section 22A of the Act for an amendment to an existing track access contract. This is for someone seeking an amendment to an existing track access contract to permit more extensive use of the railway facility if the parties are not able, for whatever reason, to reach agreement.

The form sets out ORR's standard information requirements for considering applications. Our <u>track access guidance</u> (and our <u>making an application</u> guidance in particular) explains the process, timescales and the issues we will consider. Please read the guidance before completing the contract and this form.

If the facility owner and beneficiary have agreed terms, the facility owner should fill in the form. If not, the beneficiary should fill in the form.

A pre-application industry consultation is usually required before submitting an application. Please see the industry code of practice for track access application consultations for more information.

Network Rail should normally take responsibility for the pre-application consultation, where the terms are agreed. Before a consultation is made, complete this form up to the end of section 8. You should fill in the rest of the form after the consultation and before applying to ORR.

If, in the case of section 17 and 22A applications, the beneficiary and Network Rail have been unable to agree terms, the beneficiary should:

- (a) ask Network Rail to conduct a pre-application consultation in line with the code of practice; or
- (b) conduct a pre-application consultation itself, in line with the code of practice; or
- (c) submit the application to ORR and ask ORR to conduct the consultation, in which case, please complete this form in full before submitting it to us.

We are happy to talk to you informally before you apply. Please contact us at Track.Access@orr.gov.uk. You should use our current model freight track access contract as your starting point. Please ensure that you are using the latest version of this form as published on our website. We may ask for applications which have not used the latest templates to be resubmitted.

You may also use and adapt this form if necessary to apply to use railway facilities other than those of Network Rail. Do not use this form for HS1, for which a separate form is available on our <u>website</u>.

1. Application Summary

i. App	ilcation Summe	ai y							
1.1 Faci	lity owner:								
	ork Rail Infrastru	cture	Limited (("Netw	ork Rail")				
12 Ben	eficiary Company:								
	argo (UK) Ltd ("[argo")						
	3 (, , , , , , , , , , , , , , , , , ,		<u> </u>						
	which of the regi								
Region	Region: Southern Eas			North	West &	1	ales & estern		Scotland's Railway
			\boxtimes	Centi		**			
		1				_			
	lication under the	Railw		993 se	ction:				
17	□ 18		22			_	22A		
			Suppleme			+	81A	h a r 2	026
			Current co		expiry date:	-	11 Decem PCD 2026		020
			Our Cit CC	milace	cxpiry date.	_	1 00 2020		
4.5.5	4.								
	cutive summary of	-							
	ghts Table in Scheo etween the Parties								
	224 (flows 1 and 2),								
4306 (flows 1, 7 and 8A),	4309	(flow 1A),	4075 (1	flow 20), 4252	2 (flo	ow 2) and	4304	(flow 10) with the
	listed in Annex 1 o	of the	Supplemer	ntal Agi	reement to be	e co	nsistent w	ith the	e December 2023
timetal	ле. 								
Propos	ed commencement	date:			Date of ORF	R's a	approval		
Expiry					PCD 2026				
	oproved at SOAR				n/a				
	currently running a mmence?	as TO\	/Rs when (did	n/a				
tiley co	minerioe:								
	stry consultation:				ı				
_	arried out the consu tation start date:	Itation	?		Consultation	2 02	d data:		
		+			Consultation	n en	id date.		
INOT Car	ried out 🛚								
1.7 App	licant details								
Networ	k Rail Infrastructure	Limit	ed ("Netwo	rk	DB Cargo (l	UK)	Ltd ("DB C	Cargo'	')
Rail")									
01	A to divide all to D				Contact individual: Quentin Hedderly Job title: Regulatory Specialist				
	Contact individual: Ian Bartlett			I .	_		cialist		
	Job title: Customer Manager			Telephone E-mail add					
Telephone number: E-mail address:			L-IIIaii addi	1633	o.				
L-man	dddicoo.								
					Address:				
Addres	ss:				Lakeside Bu	usin	ess Park		
Floor 3	, Waterloo General	Office	S		Doncaster				
London					South Yorks	shire	€		
SE1 88	SE1 8SW				DN4 5PN				

1.8 Date of application to ORR:

20 May 2024

OFFICE OF RAIL AND ROAD www.orr.gov.uk

 $_{\mathsf{Form}}$ F

Version: March 2024

Page 2 of 18

Proposed new contra	act or supplemental agreement		
 Marked up Schedule 			\boxtimes
	on to model contract (where app	olicable)	
All consultation corre Supporting oxidence	espondence such as performance improven	ant plane or modelling	
exercises.	such as periormance improven	lent plans of modelling	
Other supporting doc	cuments, side letters or collatera	Il agreements (please list):	
	actions: If there is any informa rovide full reasons for the redac n publish.		
n/a			
2. Licence and rail	way safety certificate		
2.1 Please state whethe	er:		
2.1 Please state whetheryou intend to opera	er: ite the services yourself; or		
2.1 Please state whetheryou intend to operahave them operate	er: Ite the services yourself; or d on your behalf.		
 2.1 Please state whether you intend to operate have them operate if so, p 	er: ite the services yourself; or		
 Please state whether you intend to operate have them operate if so, properate 	er: Ite the services yourself; or d on your behalf. Dlease name the proposed		
 2.1 Please state whether you intend to operate have them operate if so, properate 2.2 Does the proposed of t	te the services yourself; or d on your behalf. Dlease name the proposed ting company: operator of the services:		
 2.1 Please state whether you intend to operate have them operate o if so, properate 2.2 Does the proposed of the Raman and the properation of the properat	te the services yourself; or d on your behalf. Dlease name the proposed ting company: operator of the services: operating licence under ailways Act 1993 or an		
 2.1 Please state whether you intend to operate have them operate o if so, properate 2.2 Does the proposed of the Raexemption under section	te the services yourself; or d on your behalf. Dlease name the proposed ting company: operator of the services: operating licence under ailways Act 1993 or an		
• you intend to operate • have them operate • have them operate • if so, properate 2.2 Does the proposed of the Rate exemption under section (b) hold a valid saf Railways and Other Green (c)	te the services yourself; or d on your behalf. blease name the proposed ting company: operator of the services: operating licence under ailways Act 1993 or an on 7, and tety certificate under the Guided Transport Systems		
 2.1 Please state whether you intend to operate have them operate o if so, properate 2.2 Does the proposed of the Rate exemption under section to the proposed of the Rate exemption under section to the proposed of the Rate exemption under section to the properation of the Rate exemption under section to the properation of t	te the services yourself; or d on your behalf. blease name the proposed ting company: operator of the services: operating licence under ailways Act 1993 or an on 7, and tety certificate under the Guided Transport Systems		
• you intend to operate • you intend to operate • have them operate • if so, properate 2.2 Does the proposed of the Rate exemption under section (b) hold a valid saft Railways and Other (c) (Safety) Regulations 2	te the services yourself; or d on your behalf. blease name the proposed ting company: operator of the services: operating licence under ailways Act 1993 or an on 7, and tety certificate under the Guided Transport Systems		exemption and/or
• you intend to operate • have them operate • if so, properate • if so	te the services yourself; or d on your behalf. Dlease name the proposed ting company: operator of the services: operating licence under ailways Act 1993 or an on 7, and ety certificate under the Guided Transport Systems 006.		exemption and/or
 2.1 Please state whether you intend to operate have them operate if so, properate 2.2 Does the proposed of the Rate exemption under section 8 of the Rate exemption under section 9 hold a valid saft Rate exemption under section 9 hold a valid saft Rate exemption 2 exemptions 2 exemption	te the services yourself; or d on your behalf. Dlease name the proposed ting company: operator of the services: operating licence under ailways Act 1993 or an on 7, and ety certificate under the Guided Transport Systems 006.		exemption and/or
• you intend to operate • you intend to operate • have them operate • if so, properate 2.2 Does the proposed of the Rate exemption under section (b) hold a valid saft Railways and Other (c) (Safety) Regulations 2	te the services yourself; or d on your behalf. Dlease name the proposed ting company: operator of the services: operating licence under ailways Act 1993 or an on 7, and ety certificate under the Guided Transport Systems 006.		exemption and/or
• you intend to operate • have them operate • if so, properate • if so	te the services yourself; or d on your behalf. Dlease name the proposed ting company: operator of the services: operating licence under ailways Act 1993 or an on 7, and ety certificate under the Guided Transport Systems 006.		exemption and/or

OFFICE OF RAIL AND ROAD www.orr.gov.uk

previous version of the contract (in the case of an amendment).

Form

This information should be laid out clearly and concisely, and fully highlight the changes from the

Version: March 2024

Page 3 of 18

COMMERCIAL JUSTIFICATION FOR ACCESS RIGHTS

TATA Steel Trafic

This is a commercial justification for one-hour window rights on freight traffic hauled by DB Cargo Limited (DBC) via all key routes for TATA Steel traffic.

CUSTOMER AND MARKET

Tata Steel is the largest steel company in the UK with more than 8000 employees. It provides a vital f dation for many of the country's key strategic supply chains, including the automotive and construction industries.

- £24m revenue to DBC utilising over 500 rail wagons
- Sales of over 3 million tonnes and £2bn turnover
- Supplies almost 50% of UK carmaker's steel requirement
- 8,000 UK employees
- 60% of sales are domestic, looking to grow 40% export
- · Revenue by sector:
 - Automotive 35%
 - Construction 30%
 - Packaging 10%
 - Other 25%

Over 98% of all steel produced in South Wales is transported by rail. Road transport is not viable duthe cost and significant volumes moved.

Customer and Business Development

Tata Steel has invested more than £1.9 billion in its UK business since 2007 to upgrade plant and tech ogy. Investments are ongoing to improve manufacturing capability, enabling the production of advar steels in various UK locations. Tata Steel is frequently a key driver for regional economic growth in areas where it is based and a source of prosperity and opportunity for local communities.

It is also the only UK steel company with significant domestic R&D activity with a research facility in War and another under development in Swansea. Tata Steel in the UK is committed to continuing its reco high-quality skills development.

LOCATIONAL DEVELOPMENT

South Wales - Port Talbot/Llanwern

Significant investment has been made at TATA Steel's largest steel producing site including:

- Installation of a new £25 million 'reversing rougher'
- Major upgrade of the Hot Strip Mill at Port Talbot enabling it to further improve the quality of it steel products
- multi-million pound project saw the installation of a transfer bar cooling system further improving quality
- £400k new technology investment to reduce consumption of imported natural gas
- £4 million investment at Shapfell with a new Kiln to producing lime for Port Talbot, allowing a tainable supply

Trostre

£6 million investment in the site's Continuous Annealing Process Line

OFFICE OF RAIL AND ROAD

www.orr.gov.uk

Form

Version: March 2024 Page 4 of 18

Shotton

£7 million investment in a new generation of steel coating equipment

Corby

£30m transformation programme has started including:

- Completed state-of-the-art warehouse complex
- New 'best technology' Mill facility

Hartlepool

• £7 million investment in production line to cut CO2, improve capacity and reduce costs

DB Cargo Commitment

- Port Talbot 39 Drivers, 22 Ground staff and 8 Loaders that are active on TATA flows
- Newport 48 Drivers, 20 Ground Staff and 15 Loaders that are active on the TATA Flows
- TATA Wagon Maintenance Team

Operations and Constraints

TATA Steel are contracted to present all trains one hour ahead of departure time to ensure no delays incurred on the network for other users.

Train Slots through Cardiff Central are constrained by available capacity meaning additional train slo peak times are very limited.

TATA need to keep the trains running to avoid a backlog of product between Port Talbot & Llanwerr well as other locations).

Steel production is fundamentally critical to the Welsh economy and rail freight is critically importa TATA Steel. Due to the volume of trains run from Port Talbot & Llanwern to Trostre, Shotton, Corby Hartlepool and the infrastructure of storage, loading & staffing, any changes to existing paths would t a detrimental impact on TATA Steels operations. This also applies to the supply of raw materials fron Dawsons (Tar) and Shap (Lime).

Paths and timings to Newport and Birdport for TATA Steel exports are paramount as DB Cargo (UK) its customers are bound by the sailing times of the incoming and outgoing vessels.

DB Cargo operational staff and many of the staff at our final destinations are rostered around current slots and should this change dramatically would require a complete overhaul of the rosters which w potentially make some services uneconomical.

For DBC, the loss or change of these train slots would impact on every part of the supply chain resultir huge adjustments required to ensure the plan was still operationally and financially viable, which could result in the loss of jobs and customers; something DB Cargo works hard to protect.

SUMMARY

In summary, one hour 'window' rights are required to support this traffic due to the vital nature of business for DB Cargo (UK) and its customers delivering to the wider UK and European supply chain. local and wider economies are supported by this traffic and any amendments would have far reac implications; any cessation would lead to a loss of jobs and a loss of crucial steel supplies across the Both TATA Steel and DB Cargo (UK) fully expect the demand for the throughput of steel to continue increase, this goes for our customers locations also.

Safeguarding the capacity with these access rights will protect not just DB Cargo (UK) business, but many other UK and worldwide businesses.

CORE ROUTES AND PRODUCTS

Origin	Destination	Product
Redcar	Port Talbot	Coke
Port Talbot	Newport Docks	Covered / Open Coil
Llanwern	Newport Docks	Covered / Open Coil
Llanwern	Birdport	Covered Coil
Port Talbot	Birdport	Covered Coil
Llanwern	Hull	Covered Coil
Port Talbot	Hull	Covered Coil
Port Talbot	Immingham	Covered Coil
Llanwern	Immingham	Covered Coil
Port Talbot	Llanwern	Covered Coil
Shotton	Llanwern	Covered Coil
Middlesbrough	Llanwern	Covered Coil
Newport	Llanwern	Covered Coil
Port Talbot	Middlesbrough	Covered Coil
Llanwern	Port Talbot	Covered Coil
Port Talbot	Round Oak	Covered Coil
Port Talbot	Shotton	Covered Coil
Llanwern	Swindon	Covered Coil
Llanwern	Wolverhampton	Covered Coil
Newport	Wolverhampton	Covered Coil
Port Talbot	Wolverhampton	Covered Coil
Redcar	Port Talbot	Iron Ore
Hardendale/Shap	Port Talbot	Lime
Llanwern	Cardiff Docks	Open Coil
Port Talbot	Corby	Open Coil
Hartlepool	Corby	Open Coil

_			
	Port Talbot	Hartlepool	Open Coil
	Hartlepool	Middlesbrough	Open Coil
	Port Talbot	Trostre	Open Coil
	Newport	Trostre	Open Coil
	Birdport	Llanwern	Open Coil
	Trostre	Birdport	Palletised Coil
	Trostre	Immingham	Palletised Coil
	Trostre	Newport Docks	Palletised Coil
	Hartlepool	Middlesbrough	Pipes
	Hartlepool	Tees	Pipes
	Trostre	Port Talbot	Scrap
	Port Talbot	Birdport	Slab
	Llanwern	Newport Docks	Slab
	Port Talbot	Newport Docks	Slab
	Port Talbot	Portbury	Slab
	Llanwern	Portbury	Slab
	Newport Docks	Port Talbot	Slab
	Scunthorpe	Port Talbot	Slab
	Port Talbot	Middlesbrough	Tar

Bretts Aggregates Ltd

This is a a commercial justification for one-hour window rights on freight traffic hauled by DB Cargo UK Limited (DBC) on behalf of Brett Aggregates Ltd;

Hoo Junction Down Yard - Cliffe (for Crawley, Neasden, Stewart's Lane and Tolworth)

A stable train plan is seen as critical to allow the services to be discharged in their allocated offloading slots to ensure the train meets the allocated departure times due to limited paths and capacity in the London area, for Brett Aggregates and DBC this may become vulnerable if timings associated with this train plan are altered from timetable to timetable, Due to terminal restrictions one hour "window" rights are vital to daily operation and DB Cargo's ability to meet contracted deliverables.

CUSTOMER AND MARKET

Brett Aggregates is an independent producer of sand and gravel with quarry, marine dredged aggreg and coated roadstone operations serving London, the East and South East of England, their rail su

chain is critical to providing a reliable, cost effective and sustainable product to its customers. Brett Ag gates focus on transporting aggregates by rail as opposed to road and is contributing to the developr of a low carbon economy helping to address climate change. Furthermore, transport by rail prevents impact of road vehicles transporting aggregates throughout London.

Customer and Business Development

DBC has a contract with Brett Aggregates. As part of the contract, DBC has made a substantial investment to pro 20 JNA box wagons, DBC move circa 264 Tonnes per annum, generating a revenue in excess of £500k. The in ment in wagons and resources for these flows coupled with the one hour 'Windows' provides the stability to allow and Brett Aggregates to plan their resources as efficiently as possible, with a degree of reliability. Failure of DE perform and meet its contracted obligations may result in DBC having to compensate Brett Aggregates

LOCATIONAL DEVELOPMENT

Hoo Junction Down Yard - Cliffe

The empty wagons on 6091 from Hoo Junction Down Yard are transported to Cliffe to be loaded to supply several construction companies with concrete for projects through-out London area, due to the capacity issues in London for storage of such products Brett Aggregates rely on daily deliveries via rail to enable them to continuous delivery products to their customers.

Summary

One hour 'Windows' are requested so that future timetable changes do not diverge excessively from the current WTT's being offered by Network Rail. While significant retiming to an arrival or departure may result in the need to also retime the inbound or return workings to maintain terminal times. Significant increases in overall journey times could potentially result in non-workable terminal plans and consequently lead to an increase in Driver costs, which could impact on the profitability of the existing DB Cargo contracts.

One hour "window" rights are essential to the rostering of Drivers and Ground Staff including 'balancing' drivers with other traffic to ensure DBC can deliver a cost-efficient plan.

Celsa Steel UK

This is a commercial justification for one-hour window rights on freight traffic hauled by DBC UK Limited (DBC) on behalf of Celsa Steel UK (scrap metals)

- Sunderland to Cardiff Tidal (2-3 trains per week)
- Burton-on-Trent to Cardiff Tidal (2 trains per week)
- Rotherham (Masborough) to Cardiff Tidal (3 trains per week)

Due to the congestion potential on the borders to South Wales and the difficulty accessing paths around this area, together with the restriction of daytime operating at Sunderland terminal, loading slots are fixed and inflexible. One hour "window" rights are vital to maintain the daily operation and DBCs ability to meet contractual haulage commitments.

Recently, DBC successfully trialled a 'Jumbo' concept, where two trains run together using the same path in order to improve the resource utilisation and reduce the congestion into and out of the South Wales area. It is therefore vital, as not to disrupt this successful concept, that relies on running two trains in one path, that the pathing access rights remain within the 'one hour' window of the current timings. This will significantly reduce the risk of losing any connecting path, for either of the two trains (where applicable).

CUSTOMER AND MARKET

Celsa Steel UK is the largest producer of reinforcement in the U.K and one of the largest manufacturers of other steel long products. From their facilities in Cardiff, 1.2 million tonnes of steel finished product are produced each year and delivered mainly to U.K and Irish markets.

Form Version: March 2024 Page 8 of 18

Celsa Steel UK facilities consist of state-of-the-art melt shop built in 2006 and two production facilities, one for reinforcing products and wire rod, the other for merchant bar and light sections.

Celsa directly employs over 500 staff and several hundred sub-contractors in South Wales.

CUSTOMER AND BUSINESS DEVELOPMENT

Celsa Steel UK have committed with DBC to run rail freight between Sunderland and Cardiff Tidal as well as Rotherham and Cardiff Tidal. The minimum annual commitment is to operate 5 trains per week. Currently, DBC operate 2 trains per week between Sunderland and Cardiff Tidal and 3-5 trains per week between Rotherham and Cardiff Tidal, with orders already to grow to 3 trains per week from Sunderland to Cardiff Tidal and 6 trains per week from Rotherham to Cardiff Tidal. Each train carries over 1,000 tonnes of scrap material which forms part of Celsa's sustainability plans to reduce road transport and handle scrap material using rail transport wherever possible.

Investment

Celsa has committed to a lease agreement for a substantial part of DB Cargo UK Rotherham Steel Terminal.

LOCATIONAL DEVELOPMENT

Location 1. Sunderland

In 2016, Celsa UK working with Ward Brothers started to move scrap metal from site in Sunderland to Celsa Cardiff using DB Cargo UK to move the trains. It had been 18 years since any previous trains ran from Sunderland. The Sunderland site requires a licence from Network Rail as the track is shut while the trains is positioned for loading.

The site is able to operate during daylight only.

Location 2. Rotherham

Celsa UK has agreed a lease in July 2022 with DB Cargo UK for a part of the Rotherham Steel Terminal to enable storage and minor processing of scrap metals.

SUMMARY

One hour 'Windows' are requested so that future timetable changes do not diverge excessively from the current WTT's being offered by Network Rail. While significant retiming to an arrival or departure may result in the need to also retime the inbound or return workings to maintain terminal times. Significant increases in overall journey times could potentially result in non-workable terminal plans and consequently lead to an increase in driver costs, which could impact on the profitability of the existing DBC Contracts.

One hour "window" rights are essential to the rostering of train drivers and groundstaff including 'balancing' drivers with other traffic to ensure DBC can deliver as cost efficient plan as possible. This is particularly prevalent with WTT operations overnight.

The volatility of the scrap metal market means any delays/cancellations/short sets (through reduced loading time) have a significant effect on the Customer's business. The price of metal changes on a daily basis and any delays with deliveries can have a major revenue impact on Celsa Steel UK. Therefore, it is crucial DBC are permitted access rights to protect the business interests of Celsa Steel UK.

FCC Recycling (UK) Ltd, trading as FCC Environment

The is a commercial justification for one-hour window rights on freight traffic hauled by DB Cargo UK Limited on behalf of FCC environment for the following services;

- Barking to Tinsley
- Cricklewood to Peterborough
- Acton to Peterborough

A stable train plan is seen as critical to allow the services to be discharged in their allocated offloading slots to ensure the train meets the allocated departure times due to limited paths and capacity in the London area, for FCC and DBC this may become vulnerable if timings associated with this train plan are altered from timetable to timetable, Due to terminal restrictions one hour "window" rights are vital to daily operation and DB Cargo's ability to meet contracted deliverables.

CUSTOMER AND MARKET

FCC Environment is one of the UK's leading waste and resource management companies, providing a range of services from collecting business and municipal waste to recycling and processing plus the generation of green energy from waste.

FCC approach is to minimise the amount of waste that ends up in landfill by transforming it into valuable resources wherever possible.

CUSTOMER AND BUSINESS DEVELOPMENT

DBC has invested dedicated locomotives, drivers and ground staff to operate the FCC Spoil and recycling business, DBC have also invested in dedicated open box and flat bed wagon sets to operate on all current traffic, generating a revenue in excess £5.5 million.

Peterborough and Tinsley are new sites which FCC have invested in to run the diverted train waste following the construction of the HS2 line, operations at FCC waste management site at Calvert Sidings have been removed in order to assist HS2 delivery of the project, DBC have invested in training staff to operate the site and provided the offloading equipment.

Failure of DBC to perform and meet its contracted obligations may result in DBC having to compensate FCC by paying cancellation penalties.

LOCATIONAL DEVELOPMENT

Locations - Barking Ripple Lane H Group Sidings, Tinsley Sidings, Cricklewood, Peterborough

Operations and Constraints

Due to environmental constraints, DBC are limited to strict operating times at Barking Ripple Lane H Group Sidings (Barking Euro), Tinsley and Cricklewood. Pathing is constrained particularly in the South-east. FCC have limited capacity and need to adhere to tight loading windows. In addition, due to limited pathing options with dedicated wagon sets coupled with restrictions of receiving sites, the operation needs to be run to a right time policy. Cricklewood is the only suitable spoil loading site in North West London and dispatches around 250,000t per year. Transport by rail prevents the impact of road vehicles throughout the London.

The new fatigue diagramming rules came into place in December 2020 have shorten the maximum amount of time a driver working for DBC can work on a nightshift, meaning one hour "window" rights are required to protect the current path times.

Form **F**

SUMMARY

One hour 'Windows' are requested so that future timetable changes do not diverge excessively from the current WTT's being offered by Network Rail. While significant retiming to an arrival or departure may result in the need to also retime the inbound or return workings to maintain terminal times. Significant increases in overall journey times could potentially result in non-workable terminal plans and consequently lead to an increase in Driver costs, which could impact on the profitability of the existing DB Cargo contracts.

One hour "window" rights are essential to the rostering of Drivers and Ground Staff including 'balancing' drivers with other traffic to ensure DBC can deliver a cost-efficient plan. This is particularly prevalent with WTT overnight.

Intermodal

Sector Importance and Investment at DB Cargo

The importance of Intermodal sector is increasing for DB Cargo UK (DBC), currently contributing to 12% revenue for the company. DBC is committed to being involved in Intermodal's increasing market development, as going forward the sector is of high strategic importance for DBC. In recent history, the UK rail freight Intermodal sector has been dominated by Freightliner, particularly at locations such as Felixstowe. Gaining access rights is sought to bring a guarantee to DBC's current position in the Intermodal sector.

DBC are seeking to invest heavily in a fleet of vehicles for their Intermodal traffic and one hour 'windows' affords them certainty to invest in the necessary resources. The reliability will assist in increased support from the DB Cargo AG board as well as increasing the investment footed by our customers, particularly Maritime Transport Ltd.

Intermodal Market for DB Cargo UK

One hour 'window' rights are required to support this traffic due to the nature and velocity of the market that it serves. DBC's Intermodal customers form part of vast end to end supply chains including for the likes of Asda and Tesco. Rail delivers as part of the lean supply chain, being interdependent on the timely arrivals of container shipments at ports through to the critical timing of onward road transport. The agreed time slot at rail terminals allows DBC to successfully deliver rail freight as a key chain in the larger supply chain network of its customers. Critically, the reliability that can be offered ensures a modal shift to rail can be sustained in the future.

A key focus for our Intermodal customers is delivering traffic within a twenty-four hour cycle. Delivering a regular daily delivery is imperative to the customers and for competing with road haulage. In addition to this, our customer's containers face customs at the ports. With the current unknown impact of Brexit on customs, this poses a risk to the twenty-four-hour cycles.

Stable and delivered plans are what allows DBC to deliver profit. Any risk to this, risks DBC's ability to be commercially successful with its Intermodal traffic. Financial consequences and risk vary per customer if the trains are not delivered on time. Failure of DBC to perform and meets its contracted obligations, may result in DBC having to compensate its customers as well as facing the loss of revenue. One-way DBC will lose revenue is due to most of DBC intermodal customers having a contracted minimum annual payment. If a train is cancelled the cost of the train (approx. £10,000) would have to be deducted from the revenue DBC expected to make that year for that customer.

To summarise, one hour 'windows' are required for DBC's Intermodal customers. This is to ensure that if there is ever any planned disruption on the network, which requires diversions or significant retiming's, DBC are able to maintain fixed slot times and fixed delivery plans for themselves and their Intermodal customers.

Customer & Business Development at DB Cargo UK

Newell & Wright Ltd

Newell & Wright are a new Intermodal customer to DB Cargo UK, to run a daily service between their Rotherham terminal and Southampton port. This service has an agreed time slot at Solent Stevedores

OFFICE OF RAIL AND ROAD

www.orr.gov.uk

Page 11 of
Version: March 2024

Page 11 of
18

in Southampton but also has to tie into Newell & Wrights tight terminal schedule as Freightliner and GB Rail Freight have daily services into the site which we need to avoid as they can only discharge one train at a time.

Masborough (Rotherham Freight Terminal)

Masborough container terminal is heavily utilised, with the last available loading slot now being utilised by DBC. The terminal and traffic are both managed by Newell & Wright Contractors Ltd. The Rotherham area is a strategic location for DBC, servicing large end customers such as B&Q.

3.2 Capacity considerations: Please detail the steps taken by the parties to satisfy themselves that there is sufficient network capacity for the services in the proposal. Include details on all relevant capacity considerations, including but not limited to track and power supply traction. Will the proposed Rights operate over an area subject to a Declaration of Congested Infrastructure, or will the capacity requirement result in a Declaration of Congested Infrastructure by Network Rail (under the Network Code)

,			
n/a			
11/4			

3.3 Safety risks: Please explain any important safety risks that have been identified arising from the proposal and how these will be controlled (by reference to the facility owner's safety authorisation and the train operator's safety certificate).

n/a			

3.4 Contract duration: For new agreements or extensions to existing agreements, please provide justification for the proposed duration and, if more than 5 years, with reference to the Railways (Access, Management and Licensing) Regulations 2016.

n/a

3.5 Performance: Are there any implications for overall network performance? Please outline your assurance process that shows that any performance risk is tolerable in comparison to the benefits of the application. Please explain any risk mitigations. Please attach any associated evidence to support your case.

n/a

3.6 Maintenance and renewals: Are there any implications for the facility owner's maintenance and renewal activities?

n/a

3.7 Terms not agreed with the facility owner (for applications under sections 17 or 22A only): Please explain any areas of the application which have <u>not</u> been agreed, the reasons for the failure to agree and the reasons for seeking these provisions.

All aspects of this application are not yet agreed with Network Rail. This application was due to progress through NR internal consultation but insufficient time is available to complete this ahead of the ORR deadline to receive applications of 20th May 2024.

3.8 Bespoke provisions (departures from ORR's model access contracts)						
Does the proposed contract include any departures from ORR's model access contract:						
Yes □ No ⊠						
i i i i i i i i i i i i i i i i i i i						
If yes, please set out and explain any:						
 areas where the drafting of the application changes ORR's published template access contracts (as appropriate, cross-referencing to the answers below). Please also explain why these departures have been made. 						
n/a	٦					
	_					
 instances where the proposal departs from the charging and/or performance regimes established by ORR's latest periodic review (or subsequent interim reviews) as reflected in ORR's mode access contracts, including the financial implications (e.g. establishment of an access charge supplement or rebate). 	l					
n/a						
	_					
 new processes (e.g. a self-modification provision) which have been added. Please also demonstrate fully how this new process is robust and complete.)					
n/a						
3.9 Consolidated contract For amendments to existing contracts, is the version of the consolidated contract on our website fully up to date? If not, please explain why not.	_					
Up-to-date version is on the ORR website	٦					
4 The commercian of course winds	_					
4. The expression of access rights						
4.1 Changes to rights: please provide full descriptions of any new rights required, as compared to the previous contract (in the case of an amendment). Please attach a fully marked-up version or document comparison of any tables in Schedule 5 which are being modified as a result of this application.						
Please see attached marked up Schedule 5 table indicating requested changes. These are summarised below:						
New rights						
Origin Destination	-					
SG 0300	\perp					

 $_{\text{Form}}$ F

5M46	MSX	MOSSEND DOWN YARD	SHIELDMUIR MAIL TERMINAL
00.4000			
SG 1208		1	
7Y71	SUN	CLIFFE BRETT MARINE	HOO JUNCTION DOWN YARD
SG 1224			
6H11	MO	TOTON NORTH YARD	DOWLOW BRIGGS SDGS
SG 1228			
6091	SX	HOO JUNCTION DOWN YARD	CLIFFE BRETT MARINE
SG 1551			
6E35	WFO	ACTON T.C.	PETERBOROUGH L.I.P.
SG 1614			
6R57	MO	RIPPLE LANE WEST S.S.	RIPPLE LANE H GROUP SIDINGS
SG 4269			
6E02	MO	TOTON UP SIDINGS	BOSTON SLEAFORD SIDINGS
6E01	WO	WOLVERHAMPTON STEEL TERM	BOSTON SLEAFORD SIDINGS
SG 4306			
6N52	TThO	MIDDLESBROUGH DAWSON AYRTON	TEES N.Y.
6E70	SO	RIPPLE LANE WEST S.S.	TINSLEY S.S.
SG 4309			
6V33	ТО	SUNDERLAND WARD BROS	CARDIFF TIDAL T.C.
6V33	ThO	SUNDERLAND WARD BROS	CARDIFF TIDAL T.C.
6E64	TThO	RIPPLE LANE WEST S.S.	IMMINGHAM PAD 1
6E64	SO	RIPPLE LANE WEST S.S.	IMMINGHAM PAD 1
6R69	WFO	RIPPLE LANE WEST S.S.	BARKING EUROHUB (DBC)

Amended rights

		Origin	Destination
SG 1208			
6Y97	ТО	HITHER GREEN DOWN RECP.	CLIFFE BRETT MARINE
6Y89	WO	CLIFFE BRETT MARINE	CRAWLEY FOSTER YEOMAN
SG 1224			
6H09	SUN	DOWLOW BRIGGS SDGS	PEAK FOREST UP SIDINGS
SG 4075			
4E94	SX	SOTON W DOCKS BERTH 109	MASBOROUGH F.D.
SG 4252			
6M75 6M85	SUN	MARGAM T.C.	CARLISLE N.Y.
SG 4269			

6E01 6E03	SO	WOLVERHAMPTON STEEL TERM	BOSTON SLEAFORD SIDINGS TOTON UP SIDINGS
6E08	SX ThSX	WOLVERHAMPTON STEEL TERMINAL	IMMINGHAM SORTING SIDINGS
6E08 6E10	SX ThO	WOLVERHAMPTON STEEL TERMINAL	IMMINGHAM SORTING SIDINGS
SG 4304			
6H22 6B58	EWD SO	LLANWERN EXCH SDGS	MARGAM T.C.
6H22 6B58	EWD MSX	LLANWERN EXCH SDGS	MARGAM T.C.
SG 4306			
6V05	ThSX SX	ROUND OAK	MARGAM T.C.
6N52	SX MWFO	MIDDLESBROUGH DAWSON AYRTON	TEES N.Y.

4.2 Firm rights: Do the Firm Rights in the proposal contract relate to service freight haulage contracts which you hold or will hold? If so, how? How does the duration of these haulage contracts compare with the duration of the proposed track access contract?

DB Cargo holds freight haulage contracts for traffic moving in the Train Slots for which it is seeking Firm Rights. Some contracts extend beyond DB Cargo's existing Track Access contract (expiry PCD 2026), DB Cargo will enter into discussions with regard to new contracts prior to expiry of the existing terms.

4.3 Contingent Rights: Please set out the extent to which you expect to use the Contingent Rights in the application. In particular, please state whether the proposed rights are seasonal (eg 3 months each year) or occasional (eg MO, SX, etc)..

n/a			

4.4 Window size: Please set out the reasons for the origin and destination window sizes used in the Rights Table in Schedule 5.

Please see the Commercial Justifications set out in 3.1 above

4.5 Long Term Planning Process: Is the Long Term Planning Process (or similar devolved authority or regional service delivery project) relevant to this application? If so, please explain how the proposed rights are consistent or inconsistent with this.

n/a		
11/4		

6. Incentives

6.1 Train operator performance: please describe any planned projects associated with the operation of the proposed services aimed at improving your performance.

n/a
6.2 Facility owner performance: please describe any planned projects associated with the operation of the proposed services aimed at improving the facility owner's own performance.
n/a
6.3 Restrictions of use: set out and explain the reasons for any changes from the Restrictions of Use regime in the model freight track access contract (Schedule 4)
n/a
7. Enhancement
7.1 Enhancement details: Please provide details of any relevant enhancement schemes. Where the proposal delivers part of, or the associated services are subject to, a network enhancement, please summarise the outputs and timescales of the scheme and explain the extent to which the Part G Network Change procedure has been completed.
n/a
7.2 Enhancement charges: please confirm that the arrangements for the funding of any network enhancements are consistent with the <u>investment framework</u> , and summarise the level and duration of payments, and the assumed rate of return.
n/a
8. Associated access contracts
8.1 Associated applications to ORR: please state whether this application is being made in parallel with, or relates to, any other previous, current or forthcoming applications to ORR (e.g. in respect of track access, station or light maintenance depot access contracts). Where the application is being made in parallel with any other application from the same operator, please ensure the applications are consistent with one another. Where the application relies on another operator relinquishing access rights, please provide details.
This application is made under Section 22a of the Railway Act in accordance with the ORR's letter of

8.2 Unregulated access: please comment on whether any contracts are being negotiated for access to a facility adjoining Network Rail's network (e.g. to a freight light maintenance depot), including where

24 April 2024 advising on the process for managing competing and/or complex track access

Other applications are being made as part of this process by DB Cargo and including the following:

 $_{\mathsf{Form}}$ F

72a, 76a, 73a, 79a, 83a

applications until the Dec 2025 timetable change.

ORR's approval is not required. For more information, see The Railways (Class and Miscellaneous Exemptions) Order 1994. (This is relevant in the context of clause 6.4 of the model contract.)

n/a

9. Pre-application consultation

9.1 The consultation:

If consultation has not been carried out, explain why not.

This application is made under Section 22a of the Railway Act in accordance with the ORR's letter of 24 April 2024 advising on the process for managing competing and/or complex track access applications until the Dec 2025 timetable change.

If a consultation has been carried out please:

- state who conducted the consultation;
- list all train operators and any other parties that were consulted, stating which parties responded and attach their responses and any associated documentation to this form; and
- state the period allowed for the consultation. If this was less than one calendar month, please explain the reasons for this.
- If the consultation was concluded some time ago, please explain why you consider it is still valid.
- have there been any material changes since consultation that could affect the validity of the responses received?
- please list any information that you have redacted from any documentation sent to consultees and the reasons for the redactions.

n/a			

9.2 Resolved issues: please explain any issues raised by consultees which have been resolved.

n/a

9.3 Unresolved issues: Please explain any issues raised by consultees which have <u>not</u> been satisfactorily resolved and why you think these issues should not stop ORR approving the application. Include details of steps taken to resolve the dispute such as meetings or counter offers and provide copies of correspondence where available.

/			
n/a			

10 Certification

Warning: Under section 146 of the Railways Act 1993, any person who, in giving any information or making any application under or for the purposes of any provision of the Railways Act 1993, makes any statement which he knows to be false in a material particular, or recklessly makes any statement which is false in a material particular, is guilty of an offence and so liable to criminal prosecution.

In the case of agreed applications under section 18 or 22, the facility owner should fill in the information in the box below. For disputed applications under section 17 or 22A, the applicant should fill in the required information.

m F Version

OFFICIAL

I certify that the information provided in this form is true and complete to the best of my knowledge				
Signed				
For section 18/22 applications, please provide a linere:	etter of support from the beneficiary or ask them to sign			
Signed	Dateloh title			
For (company)				

11. Submission

11.1 What to send: please supply the application form, the proposed contract or amendment and, where possible, any other supporting information, in electronic form by e-mail, in plain Microsoft Word, or Open Document Text format (i.e. excluding any macros, auto-para or page numbering, or other auto-formatting).

11.2 Where to send it:

Freight Track Access Manager Email: track.access@orr.gov.uk