



## Appeal under Regulation 29 of the Railway Infrastructure (Access and Management) Regulations 2005

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DB SCHENKER RAIL (UK)

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21 August 2015

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## Southampton – Background (1)

- Southampton is the second biggest container port in the UK. It handles well in excess of 1.5M TEU per annum. Almost 30% of all DSC rail transport from UK ports originates from Southampton (85 DSC train departures per week, compared with a total of 289 from all ports during 2011).
- Southampton has three rail terminals, two of which are used by Freightliner (primarily Maritime but also Millbrook) and one of which is used by DB Schenker (Herbert Walker Avenue, which is very much smaller and less well equipped than the Freightliner terminals).
- Southampton has a total of 22 train paths per day, of which 21 are used for DSC services as follows:

From	To	Freightliner	DBSR	GBRf
Southampton	Midlands	5 (83%)	1 (17%)	0 (0%)
	South-Yorkshire	3 (75%)	1 (25%)	0 (0%)
	North-West	6 (86%)	1 (14%)	0 (0%)
	Other	3-4 (100%)	0 (0%)	0 (0%)
<b>Sum</b>		<b>17-18 (85-86%)</b>	<b>3 (14-15%)</b>	<b>0 (0%)</b>

Source: Rail connections on Port of Southampton website

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## Southampton – Background (2)

- **Freightliner** has operated from Southampton since the 1970s, initially using the Millbrook terminal.
- Freightliner expanded to the Maritime container terminal, also in Western Docks in the early 1970s. This facility was substantially upgraded with new cranes in 2012.
- **DB Schenker** (as EWS) has been involved in moving containers as part of the “Wagon Load Network” since the 1990s.
- In **2004** DB Schenker began an operation at the Herbert Walker Avenue Terminal with dedicated container wagons.
- By **2008** this had progressed to regular container trains using mechanical side loaders to load and discharge trains.
- By **2010** this operation had grown and was offering 4 DSC trains per day between Southampton and the Midlands, the North-West and South Yorkshire
- At the start of **2013**, however, services were cut back to 3 DSC trains per day in an attempt to reduce the financial losses of this operation.

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## DBSR situation at Southampton is not sustainable

- The DB Schenker operation at the Herbert Walker Avenue Terminal is not sustainable from an operational or financial perspective.
- This operation sees ABP (the Port Owner), Pentalver (an AP Moeller Company) and DBSR Schenker working in close cooperation to load and unload trains within the port area.
- Fixed day, five days per week, departures to Trafford Park and Wakefield where DB Schenker has its own terminals, plus services to the Midlands (Birch Coppice) and South Wales (non-DSC).
- By 2013/14 these trains have grown as long as Network Rail will allow (31 platforms) all “hi-cube friendly” and are now well utilised in excess of [REDACTED] on a regular basis.
- Opportunities for growth exist, e.g. [REDACTED]  
[REDACTED] (redacted text includes an example of a DB Schenker growth plan)

....HOWEVER

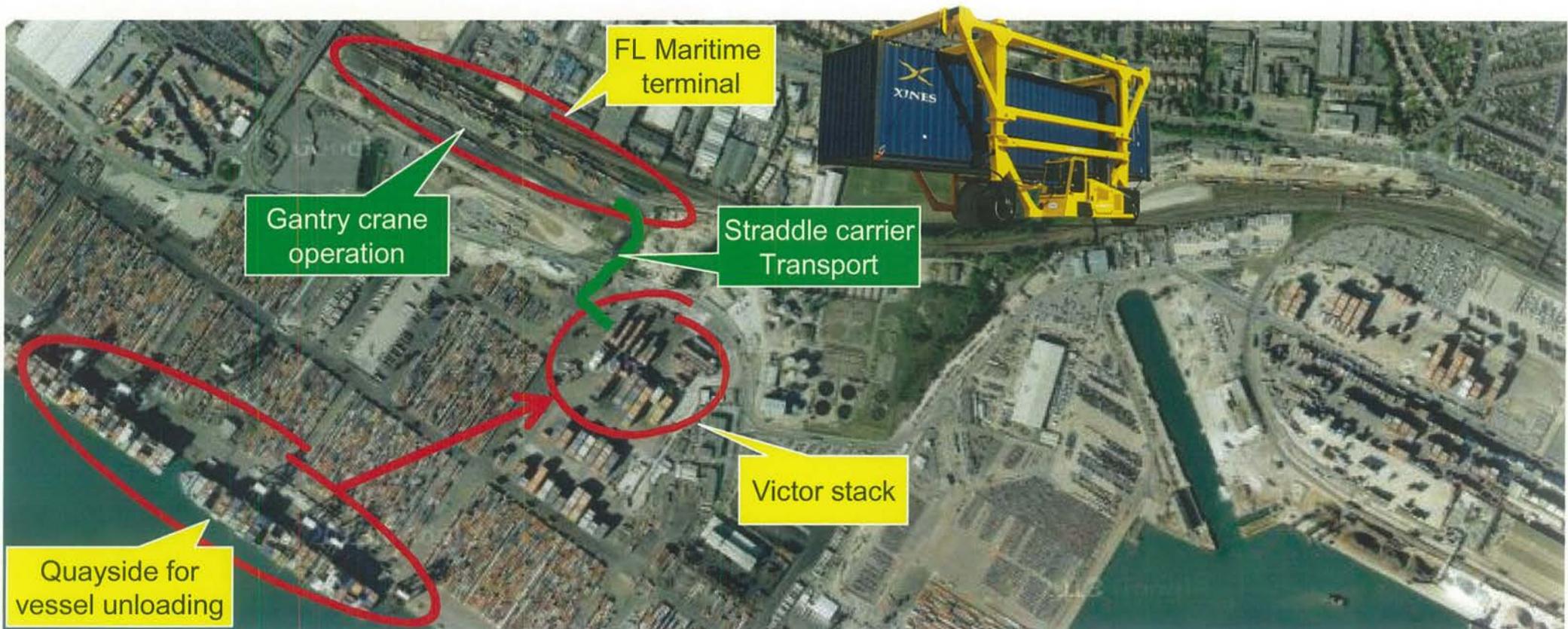
**The current DB Schenker intermodal terminal operation in Southampton is complex and unreliable, and above all we believe it is significantly more expensive per unit than the Freightliner’s Maritime Terminal thereby creating an insurmountable cost disadvantage.**

# Overview of Southampton Port and Rail Infrastructure



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For Freightliner, however, the process is far easier; the estimated cost for loading a container to a train is £32.50



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- The only way for DB Schenker and potentially other operators to compete with Freightliner on a level playing field is to use the Freightliner Maritime Terminal situated directly behind the quayside.
- DB Schenker has requested access to Freightliner's Maritime Terminal at Southampton many times, most recently in 2014. On this occasion, Freightliner indicated that limited access for short trains is available at its Millbrook Terminal only.
- Millbrook Terminal is just as far from the quayside as the Herbert Walker Avenue Terminal and would require a similarly complex operation. No access has thus far been offered at Maritime Terminal (following the most recent request of 9 June 2014), which is a far more modern and convenient terminal.
- Request for access made in accordance with the "Code of Practice".
- DB Schenker believes that Freightliner has capacity to accept additional services at the Maritime Terminal, and that its lifting and handling costs will be significantly less than those at the current DB Schenker terminal.

**Southampton – Current Position (2)** *(The redacted information concerns DB Schenker's Method of Working at the Herbert Walker Terminal)*

