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Dear John

### Charging Framework for the Heathrow Spur

Thank you for the invitation to comment on the charging framework for the Heathrow Spur.

MTR Crossrail supports the proposed decision of the ORR not to permit HAL to levy a charge based on the historic long term costs of the Heathrow Spur.

MTR Crossrail also supports the TfL response to the ORR's consultation, together with the points made in the TfL response to the HAL consultation last year.

Whilst welcoming the ORR's proposed decision, there remains considerable uncertainty about what charges MTR Crossrail will be required to pay for use of the Heathrow Spur and the associated stations.

The charging framework set out in the Annex to the consultation does not provide enough certainty to current or prospective operators to allow them to calculate the cost of operating services on the Heathrow Spur and to and from the three stations.

Further discussion is also required to finalise the Schedule 4 and 8 regimes for HAL infrastructure.

It is important for this uncertainty to be resolved as a matter of urgency, given that Crossrail services are expected to commence on the Heathrow Spur from May 2018. Under the Railways Infrastructure (Access and Management) Regulations, it is for the ORR to establish the charging framework and specific charging rules governing the determination of the fees to be charged for use of the railway infrastructure. MTR Crossrail therefore would like the ORR to impose a specific timetable on HAL to provide the ORR with sufficient information/submissions to allow the ORR to discharge its statutory obligation.

MTR Crossrail also needs clarity with regard to matters including when the charges resulting from the charging framework/specific charging rules to be established by the ORR in due course will become payable, for instance, will charges be paid periodically or quarterly, in arrears or in advance and if so what are the year-end wash up arrangements?

What are the invoicing arrangements, the time allowed to query and to pay each invoice and arrangements for dealing with matters such as set-off and disputed amounts. Indexation and charging review provisions which are equitable and transparent are also needed. HAL needs to set out its proposals – and considerable further work needs to be undertaken on the access documentation-to facilitate this.

MTR Crossrail expects these matters to be clarified by HAL and subject to ORR review and approval to form part of the charging framework.

There is now considerable urgency to make progress on both the charging framework and the template terms of access to the Heathrow Spur and, separately, to the stations at the airport.

MTR Crossrail will need some time to negotiate bespoke access arrangements based upon the template forms, discussions for which realistically need to commence around May 2016 and complete May 2017.

The arrangements need to be in place in plenty of time for MTR Crossrail to participate in the timetabling process for the May 2018 timetable, which commences in March 2017.

MTR Crossrail will also need access to the Heathrow Spur from August 2017 to enable dynamic testing of the Class 345 rolling stock to commence, and driver training which begins in November 2017.

Therefore, as noted above, MTR Crossrail would like the ORR to publish a specific timetable requiring HAL to take certain steps by particular dates to ensure the May 2018 date is not compromised.

Yours faithfully

Jonathan James

Access Manager

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