

Carl Hetherington  
Deputy director, Railway markets and economics

8 February 2019

To the addressees set out in the Appendix

Dear sir/madam

### **Implementation of the 2018 periodic review: Issue of notices of agreement**

1. This letter explains the notice(s) of agreement that is/are today being served on you and other train operators in connection with the implementation of the 2018 periodic review (PR18).

#### **Notices of agreement**

2. On 20 December 2018, we issued review notices under Schedule 4A to the Railways Act 1993 (the Act) setting out the changes that we proposed to make to track and station access agreements and the Traction Electricity Rules to implement PR18<sup>1</sup>. These notices gave Network Rail until 7 February 2019 to object to the proposed changes.

3. Network Rail has formally confirmed that it does not object to the proposed changes. Accordingly, in line with paragraph 5 of Schedule 4A to the Act, we have today issued 'notices of agreement' to Network Rail's access contract customers (beneficiaries) to confirm that we have not received an objection from Network Rail<sup>1</sup>.

4. Under paragraph 6 of Schedule 4A, each beneficiary listed in the annex to the relevant notice of agreement now has the right to give notice to terminate any relevant access agreement to which it is party, should it wish to do so. This notice must be served within 28 days of today, and be consistent with the requirements of paragraph 6 of Schedule 4A<sup>2</sup>.

5. Following this period of 28 days, we will then issue review implementation notices. These will confirm that the changes in the review notices issued on 20 December 2018 will take effect on 1 April 2019. They will also direct the parties to the relevant access agreements to make the relevant changes specified in the review notices by entering into a short supplemental agreement, a draft of which we will provide at the time.

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<sup>1</sup> See <http://orr.gov.uk/rail/economic-regulation/regulation-of-network-rail/price-controls/periodic-review-2018/publications/pr18-legal-notices>.

<sup>2</sup> See <http://www.legislation.gov.uk/ukpga/1993/43/schedule/4A/crossheading/termination-notice>.

## **Conclusions to our July 2018 consultation on implementing PR18**

6. Alongside the notices of agreement, we have also published our conclusions to our July 2018 consultation on implementing PR18. Our consultation set out how we proposed to amend track and station access contracts to implement our PR18 decisions. The conclusions document explains our final decisions, which were reflected in our review notices in December 2018.

### **Next steps**

7. If you have any questions about the enclosed notice(s) of agreement or the procedure which is being followed please contact Richard Gusanie.

8. Electronic versions of this letter and the notices of agreement have been sent to the copyees listed in the Appendix. They have also been published on our website.

Yours faithfully

A handwritten signature in black ink that reads 'Carl Hetherington'.

**Carl Hetherington**

## **Appendix – List of addressees and copyees**

### **Addressees**

Charter passenger train operators

Franchised passenger train operators

Freight train operators

Holders of freight customer contracts

Open access passenger train operators

### **Copyees (by email)**

Department for Transport

HM Treasury

London TravelWatch

Passenger Transport Executives / concession authorities

Rail Delivery Group

Transport Focus

Transport Scotland

Welsh Government