

Carl Hetherington
Deputy director, Railway markets and economics

11 March 2019

To the addressees set out in the Appendix

Dear sir/madam

Implementation of the 2018 periodic review: Issue of review implementation notices

1. We have today issued review implementation notices under Schedule 4A to the Railways Act 1993 (the Act) in respect of the 2018 periodic review (PR18). These confirm that the proposed changes set out in the review notices¹ that we issued on 20 December 2018 are to take effect on and from 1 April 2019. They also direct the parties to track and station access agreements to enter into supplemental agreements to give effect to these changes.

Background

2. On 20 December 2018, we issued review notices setting out the relevant changes that we proposed to make to track and station access agreements in connection with the implementation of our decisions on PR18². Network Rail then had until 7 February 2019 to object to these changes.

3. On 8 February 2019, we issued notices of agreement confirming to train operators³ that Network Rail had not objected. Train operators then had 28 days in which to give notice that they wished to terminate their access agreements. That period has now elapsed and no train operator has issued a termination notice.

4. The issue of review implementation notices today marks the final stage of the implementation process for PR18, and confirms that control period 6 (CP6) will commence on 1 April 2019.

Direction to Network Rail and train operators

5. The review implementation notices direct the parties to relevant track and station access agreements to amend those agreements so that the relevant changes that were specified in our review notices shall come into effect on and from 1 April 2019. The notices

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

² The vast majority of which were set out in our final determination on PR18, available from this link: <https://orr.gov.uk/rail/economic-regulation/regulation-of-network-rail/price-controls/periodic-review-2018/publications/final-determination>.

³ For the purposes of this letter, 'train operator' includes any party that holds an access agreement with Network Rail, including holders of freight customer track access agreements.

require the parties to each relevant access agreement to do this by entering into a supplemental agreement, a template for which is appended to the notice (with the exception of the Traction Electricity Rules review implementation notice⁴). MS Word versions of these draft supplemental agreements are available alongside the pdf versions of the review implementation notices⁵.

6. Network Rail and train operators should therefore enter into these agreements as soon as practicable following the receipt of the relevant review implementation notice. The draft supplemental agreement specifies that the effective date and time of the changes is 02:00 hours on 1 April 2019 notwithstanding the date that it is actually entered into.

7. In line with section 72(5) of the Act, the facility owner to each supplemental agreement should send us one signed copy for the public register within 14 days of that agreement being made. These should be sent by email only. Hard copies are not required. For track access agreements, please send these to Ian Williams (manager, track access – ian.williams@orr.gov.uk) and, for station access agreements, for the attention of Gerry Leighton (head of stations and depots & network code – stations.depots@orr.gov.uk).

Updated model contracts and track access guidance

8. We will shortly be reissuing our model track access contracts and our track access guidance for the approval of track access contracts, reflecting the changes brought about by PR18 in CP6. We will advise Network Rail and train operators when we have done this.

Next steps

9. We look forward to receiving signed supplemental agreements from Network Rail and station facility owners in due course. Should you have any questions relating to any matter referred to in this letter, or any other aspect of the implementation process, please contact my colleague Richard Gusanie (020 7282 2065 / richard.gusanie@orr.gov.uk).

Yours faithfully

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

Carl Hetherington

⁴ The template supplemental agreements included in the notices for franchised passenger, freight and relevant open access passenger operator track access agreements apply the changes that we are directing to the Traction Electricity Rules. As such, a separate supplemental agreement is not required.

⁵ See <https://orr.gov.uk/rail/economic-regulation/regulation-of-network-rail/price-controls/periodic-review-2018/publications/pr18-legal-notice>.

Appendix – List of addressees

Charter passenger train operators

Holders of freight customer contracts

Department for Transport

Franchised passenger train operators

Freight train operators

HM Treasury

Network Rail Infrastructure Limited

Open access passenger train operators (who hold track access agreements that include an access charges reopener)

Passenger Transport Executives / concession authorities

Rail Delivery Group

Scottish Ministers

Secretary of State

Transport Scotland

Welsh Government