railfuture

**Campaigning by the
Railway Development Society Ltd**

please reply to:

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For the attention of Alexandra Bobocica

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4th November 2013

Consultation on contractual provisions to implement options for the capacity charge in CP5

Dear Alexandra,

I am pleased to submit on behalf of Railfuture this response, which has been prepared, reviewed and approved by the Policy Group. Railfuture is an independent national voluntary organisation which campaigns for better rail services. It is structured in England as twelve regional branches, and two national branches in Wales and Scotland.

The rail freight industry operates on very slim margins. Sometimes the difference between a profit and loss can be slim: for example often it is the last container box loaded on an intermodal trains that gives the return. Any further freight related charges may be the tipping-point between a service running or not. Railfuture consider that further rail freight charges are not helpful - they will erode the competitiveness of rail freight, and so inhibit the modal shift required to reduce road congestion and pollution. The key is that there should be a level playing field between transport modes: road haulage, for example, is not subject to a 'capacity charge' to use the road network.

We would also point out that changes to the way that charges are calculated may require major changes to Network Rail's Track Access Billing System. If the revenue associated with this mechanism is expected to be close to zero, then we would question whether it is worth significant IT cost to implement.

However if capacity charges are considered essential to manage network capacity utilisation, Railfuture would recommend the alternative RFOA approach to the capacity charge, but with the weekend discount, because this appears to have the least impact of the 3 options on both the freight operators and Network Rail IT systems.

Yours sincerely

Chris Page

Chris Page
Railfuture Policy Group

**www.railfuture.org.uk   www.railfuturescotland.org.uk   www.railfuturewales.org.uk
www.railwatch.org.uk**