

Part D: Timetable

- 3.5.4 A Timetable Participant may not appeal against a decision by HAL where it has been taken to facilitate an agreed Network Rail Restriction of Use.
- 3.6 **Timetable Variations by consent**
- 3.6.1 Notwithstanding anything stated in this Condition D3, where HAL and all affected Timetable Participants have so consented in writing, a Timetable Variation may be made without the need for compliance with such of the requirements of this Condition D3 as are specified in the consent. Such a variation is referred to as a "Timetable Variation by Consent".
- 3.7 **Publication of Timetable Variations**
- 3.7.1 Where, pursuant to the processes described in this Condition D3, any Timetable Variation or Timetable Variation by Consent has been finalised, it shall be recorded by HAL in one or more schedules (each referred to as a "Short Term Plan"). Each Short Term Plan shall be made available to affected Timetable Participants (by the same means as are described in Condition D2.6.2(a)) as soon as reasonably practicable after the relevant variation has been approved by HAL, and the affected part(s) of the New Working Timetable or Working Timetable shall be annotated to refer to the relevant Short Term Plan(s).
- 3.8 **Operation of Part H**
- 3.8.1 In addition to any variation to the New Working Timetable or Working Timetable arising pursuant to the procedures set out in this Condition D3, variations may also arise from time to time by reason of the operation of the Railway Operational Code, and this Condition D3 is subject to the operation of that Code.
- 3.9 **Summary**
- 3.9.1 A timeline, showing a summary of the process for variations to the Working Timetable, is attached at Annex 2 of Condition D of the Network Rail Network Code. This timeline (as modified in accordance with the Network Rail Network Code) will apply to all variations to the Working Timetable under this Code. Where there is any conflict between the timeline and the wording of Conditions D1-7, the wording of Conditions D1-7 shall prevail.

CONDITION D4 – DECISIONS BY HAL

- 4.1 **Decisions concerning the Rules**
- 4.1.1 In conducting the processes set out in Condition D2.2 by which the Rules are revised on a bi-annual basis (including the amendment process described in Condition D2.2.7), HAL shall make all decisions by application of the Decision Criteria in the manner set out in Condition D4.6.
- 4.2 **Decisions arising in the preparation of a New Working Timetable**
- 4.2.1 In compiling a New Working Timetable in accordance with Condition D2.6, HAL shall apply the Decision Criteria in accordance with Condition D4.6 and conduct itself as set out in this Condition D4.2.
- 4.2.2 HAL shall endeavour wherever possible to comply with all Access Proposals submitted to it in accordance with Conditions D2.4 and D2.5 and accommodate all Rolled Over Access Proposals, subject to the following principles:
- (a) a New Working Timetable shall conform with the Rules applicable to the corresponding Timetable Period;
 - (b) each New Working Timetable shall be consistent with the Exercised Firm Rights of each Timetable Participant;
 - (c) in compiling a New Working Timetable, HAL is entitled to exercise its Flexing Right;

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- (d) where the principles in paragraphs (a), (b) and (c) above have been applied but HAL is unable to include all requested Train Slots in the New Working Timetable, the Train Slots shall be allocated in the following order of priority:
- (i) first to:
 - (A) the Firm Rights of any Timetable Participant that will subsist during the whole of the Timetable Period and which have been Exercised; and
 - (B) any rights HAL has for Network Services included in the Rules;
 - (ii) second to Firm Rights of any Timetable Participant, that were in force at the Priority Date but will expire prior to or during the Timetable Period and which have been Exercised, provided that HAL considers (acting reasonably) that new Firm Rights, substantially the same as the expiring rights, will be in force during the Timetable Period;
 - (iii) third to Contingent Rights or any expectation of rights of any Timetable Participant which have been Exercised, provided HAL considers (acting reasonably) they will be Firm or Contingent Rights in force during the Timetable Period;
 - (iv) fourth to any rights or expectation of any rights of any Timetable Participant notified in an Access Proposal submitted after the Priority Date but before D-26 in accordance with D2.4 and D2.5. Where more than one set of rights or expectation of rights are so notified, capacity is to be allocated in the order in which Access Proposals containing details of the rights (or expectations thereof) are submitted to HAL.

4.3 Decisions concerning Train Operator Variations

4.3.1 In responding to a Train Operator Variation Request, HAL shall conduct itself as follows:

- (a) it is entitled to exercise its Flexing Right;
- (b) when exercising its power set out in Condition D3.3.3 HAL shall apply the Decision Criteria in accordance with Condition D4.6 except that it shall not accept a Train Operator Variation Request if to do so would give rise to any conflict with any Train Slot already scheduled in:
 - (i) the New Working Timetable after it is published at D-26 or the relevant Working Timetable; or
 - (ii) the Rules;
- (c) where the Decision Criteria have been applied as set out in sub-paragraph (b) immediately above but two or more such requests would give rise to conflict were they to be accepted, they shall be prioritised in the order in which they were submitted and any conflict resolved accordingly.

4.3.2 Where a Train Operator Variation Request:

- (a) pertains to a Train Slot to be used for the carriage of passengers in connection with any sporting or other public event; and
- (b) would, if accepted, conflict with any Train Slot already scheduled in the New Working Timetable or Working Timetable; and
- (c) would in the absence of such conflict be accepted (or accepted on varied terms) by HAL,

HAL shall consult with the Timetable Participant entitled to the Train Slot and shall seek its consent to effect a variation of the scheduled Train Slot to the extent necessary to accommodate the relevant request (or that request as may be varied). Any Timetable Participant so consulted shall not unreasonably withhold or delay its consent to the proposed variation where the relevant request

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proposes the use of a Train Slot for the carriage of passengers in materially greater numbers than are usually carried on the relevant part of the HAL infrastructure on the days and times in question.

4.3.3 Where any Timetable Participant consulted by HAL in accordance with Condition D4.3.2:

- (a) consents to the proposed variation of its Train Slot; or
- (b) unreasonably withholds or delays its consent in breach of Condition D4.3.2;

HAL shall be entitled to make a variation in respect of that Train Slot (including the removal of that Train Slot) to the extent necessary to facilitate the relevant request. Where, consequent upon such variation, HAL is required by the terms of an Access Agreement to pay any compensation to the affected Timetable Participant, the Timetable Participant which made the relevant Train Operator Variation Request shall reimburse the amount of that payment to HAL.

4.3.4 Notwithstanding anything stated elsewhere in this Part D, HAL shall be entitled to reject any Train Operator Variation Request if it:

- (a) pertains to a Timetable Variation which has in substance been made previously pursuant to Condition D3 and has been rejected; or
- (b) is substantially the same as any part of an Access Proposal made and rejected during the course of the bi-annual timetable revision process described in Condition D2;

unless there has been a material change in circumstances which would affect HAL's application of the Decision Criteria in Condition D4.6 when deciding whether or not to accept the Train Operator Variation Request.

4.4 Decisions concerning HAL Variations

4.4.1 In making any decision in the course of implementing the procedures set out in Conditions D3.4 or D3.5, HAL:

- (a) is entitled to exercise its Flexing Right when responding to an Access Proposal submitted under Condition D3.4.10;
- (b) may not affect any HAL Variation to the extent that the variation is inconsistent with the Rules;
- (c) shall, subject to the over-riding principles set out in sub-paragraphs (a) and (b) above, apply the Decision Criteria in accordance with Condition D4.6.

4.5 Decisions concerning Possessions Strategy Notices

4.5.1 In making any decision concerning the content of a Possessions Strategy Notice, HAL shall apply the Decision Criteria in accordance with Condition D4.6.

4.6 The Decision Criteria

4.6.1 Where HAL is required to decide any matter in this Part D its objective shall be to share capacity on the HAL infrastructure for the safe carriage of passengers in a non-discriminatory, efficient and economical manner in the overall interest of current and prospective users and providers of railway services ("the Objective").

4.6.2 In achieving the Objective, HAL shall apply any or all of the considerations in paragraphs (a)-(h) below ("the Considerations") in accordance with Condition D4.6.3 below:

- (a) maintaining, developing and improving the capability of the HAL infrastructure;
- (b) that the spread of services reflects demand;
- (c) maintaining and improving train service performance;
- (d) that journey times are as short as reasonably possible;

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- (e) maintaining and improving an integrated system of transport for passengers;
 - (f) the commercial interests of HAL (apart from the terms of any maintenance contract entered into or proposed by HAL) or any Timetable Participant of which HAL is aware;
 - (g) mitigating the effect on the environment; and
 - (h) enabling operators of trains to utilise their assets efficiently.
- 4.6.3 When applying the Considerations, HAL must consider which of them is or are relevant to the particular circumstances and apply those it has identified as relevant so as to reach a decision which is fair and is not unduly discriminatory as between any individual affected Timetable Participants or as between any individual affected Timetable Participants and HAL. Where, in light of the particular circumstances, HAL considers that application of two or more of the relevant Considerations will lead to a conflicting result then it must decide which of them is or are the most important in the circumstances and when applying it or them, do so with appropriate weight.
- 4.6.4 The Objective and the Considerations together form the Decision Criteria.
- 4.7 **Finality of decisions**
- 4.7.1 Save where expressly otherwise stated in this Part D, where HAL has announced a final decision in respect of any process regulated by this Part D, that decision shall be:
- (a) binding on Timetable Participants save to the extent that it is changed by an appeal authorised by this Part D;
 - (b) binding on HAL save to the extent that:
 - (i) HAL is expressly permitted by any provision of this Part D to deviate from or amend that decision; or
 - (ii) a decision is changed by an appeal authorised by this Part D.

CONDITION D5 - APPEALS

5.1 Appeal in accordance with the ADRR

- 5.1.1 Where an appeal is expressly authorised by this Part D, a Timetable Participant may refer a decision for determination by a Timetabling Panel in accordance with the ADRR.
- 5.1.2 Where a deadline for bringing an appeal is expressly stated in this Part D, an appeal in respect of such a decision must be made by the stated deadline. Otherwise, an appeal brought pursuant to this Part D must be made:
- (a) within five Working Days of receipt of the decision to which objection is made; or
 - (b) where the period referred to in (a) includes Christmas Day, within ten Working Days of that decision.
- 5.1.3 Where an appeal is made against a New Working Timetable as envisaged by Condition D2.7.2 the appeal shall be determined by the Timetabling Panel within ten Working Days of final submission to it of all relevant information.

5.2 Appeal to ORR

- 5.2.1 Where either HAL or a Timetable Participant is dissatisfied with the decision of a Timetabling Panel under Condition D5.1, it may refer the matter to the ORR for determination under Part M, provided that any such referral must be made:
- (a) within five Working Days of receipt of the Timetabling Panel's written reasoned determination to which objection is made; or

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- (b) where the period referred to in (a) above includes Christmas Day, within ten Working Days of receipt of such receipt.
- 5.3 Powers of dispute resolution bodies**
- 5.3.1** In determining any appeal pursuant to this Part D, any Timetabling Panel or the ORR (as the case may be) may exercise one or more of the following powers:
 - (a) it may give general directions to HAL specifying the result to be achieved but not the means by which it shall be achieved;
 - (b) it may direct that a challenged decision of HAL shall stand;
 - (c) it may substitute an alternative decision in place of a challenged decision of HAL;provided that the power described in (c) above shall only be exercised in exceptional circumstances.
- 5.3.2** Where general directions have been given in accordance with Condition D5.3.1, the relevant appeal body may, on the application of HAL brought in accordance with Condition D5.3.3, make such further orders as it shall consider appropriate in order to provide the parties with guidance as to the interpretation and application of such general directions.
- 5.3.3** Any application made by HAL pursuant to Condition D5.3.2 must be made within:
 - (a) five Working Days of the relevant decision; or
 - (b) where the said period of five Working Days would include Christmas Day, ten Working Days.
- 5.4 Status of Decisions**
- 5.4.1** Save where expressly stated otherwise in this Part D, where an appeal to a Timetabling Panel pertaining to this Part D is pending, the relevant decision of HAL shall remain binding until such time as the Timetabling Panel determines otherwise.
- 5.4.2** Save where expressly stated otherwise in this Part D, where an appeal to the ORR pertaining to Part D is pending, the relevant decision of the Timetabling Panel shall remain binding until such time as the ORR determines or orders otherwise.
- 5.5 Binding effect of appeal rulings**
- 5.5.1** Where an appeal is brought pursuant to this Part D, the parties to the appeal shall be bound by:
 - (a) the ruling of the Timetabling Panel, unless or until ordered or determined otherwise by the ORR;
 - (b) the ruling of the ORR.
- 5.6 Implementing an appeal ruling**
- 5.6.1** HAL shall be bound and empowered to take such steps as may be necessary to implement all rulings made by a Timetabling Panel or the ORR pursuant to this Condition D5. All such steps shall be taken promptly.
- 5.7 Liability of HAL**
- 5.7.1** Where a decision of HAL is overturned on appeal, HAL shall only be liable to any Timetable Participant in damages in respect of that decision where it was made in bad faith or was unreasonable.

CONDITION D6 - POSSESSION STRATEGY NOTICES

- 6.1 Possessions Strategy Proposal**
- 6.1.1** Where HAL proposes implementing any Works which require a programme of HAL Restrictions of Use extending over:

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- (a) a period of more than one calendar year; or
- (b) a period which contains two or more Timetable Change Dates;

it may at its discretion elect to implement the procedure set out in this Condition D6. Where it so elects, the procedure must be implemented by HAL issuing a Possession Strategy Proposal not later than D-90 and shall be concluded by HAL issuing a Possession Strategy Notice not later than D-64. References in this Condition D6 to "D-x" refer to x number of weeks before the Timetable Change Date on which the Working Timetable containing the first proposed HAL Restriction of Use will come into effect. The parties entitled to participate in that procedure shall be all Timetable Participants who may be affected by the proposed Restrictions of Use (who shall be referred to as "Possessions Strategy Participants").

6.1.2 Where HAL elects to implement the procedure set out in this Condition D6, it shall do so by serving written notice on all Possessions Strategy Participants, a "Possessions Strategy Proposal", not later than D-90, which shall:

- (a) provide sufficient particulars of:
 - (i) the proposed Works; and
 - (ii) the proposed strategy for HAL Restrictions of Use pertaining to the Works;
as will enable each recipient to understand the likely effect of the proposed Works on its Services; and
- (b) provide an explanation of HAL's reasons for the proposed HAL Restrictions of Use strategy.

6.2 Consultation

6.2.1 Following service of a Possessions Strategy Proposal, HAL shall consult with all parties on whom it has been served. Each recipient shall be afforded a reasonable period (to be specified by HAL, having regard to the likely effect of the Possessions Strategy Proposal on each recipient's Services) in which to make submissions and counter-proposals to HAL in respect of the proposed strategy for Restrictions of Use pertaining to the Works.

6.3 Finalisation of Possessions Strategy – Possessions Strategy Notice

6.3.1 Following the consultation process described in Condition D6.2, HAL shall make its final decision concerning the strategy for HAL Restrictions of Use that will be adopted in order to effect the Works, and will notify its decision to all Possessions Strategy Participants not later than D-64, by means of a formal notice detailing the strategy (to be referred to as a "Possessions Strategy Notice").

6.3.2 Where, in finalising a Possessions Strategy Notice, HAL has rejected counter-proposals put to it by a Possessions Strategy Participant, it shall give to that party written reasons for that rejection when it serves its Possession Strategy Notice.

6.4 Appeal

6.4.1 Where any Possessions Strategy Participant is dissatisfied with any aspect of any Possessions Strategy Notice, it may appeal in accordance with Condition D5. Any such appeal must be made within twenty Working Days of the Possessions Strategy Notice being served on it.

6.5 Relationship with the Rules

6.5.1 The fact that the process under this Condition D6 has been followed and a Possession Strategy Notice issued does not in any way affect the applicability of the process set out in Condition D2.2 which, in those circumstances, still must be followed. However, where any part of the Rules conform with a Possession Strategy Notice then a decision of HAL regarding that part of the Rules cannot be appealed in the circumstances set out in Condition D2.2.9.

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- 6.5.2 In the event of any inconsistency between any Possessions Strategy Notice and the Rules, once they have been finalised in accordance with the process set out in Condition D2.2, the Rules shall prevail.
- 6.6 **Relationship with Part G**
- 6.6.1 This Condition D6 is without prejudice to Part G.
- 6.7 **Amendment of Possessions Strategy Notice**
- 6.7.1 HAL shall include within the HAL Timetable Planning Rules a procedure to enable amendment or withdrawal of a Possessions Strategy Notice. That procedure shall provide that:
- (a) no such change shall be made unless HAL has consulted, to the extent reasonably practicable, with any Possessions Strategy Participant likely to be affected by that change;
 - (b) that all decisions of HAL made pursuant to that procedure shall be made by application of the Decision Criteria in accordance with Condition D4.6.
- 6.7.2 All amendments to a Possessions Strategy Notice made pursuant to the procedure referred to in Condition D6.7.1 shall be subject to the appeal procedures in Condition D5.

CONDITION D7 – CALENDAR OF EVENTS AND EVENT STEERING GROUP

- 7.1 **Calendar of Events**
- 7.1.1 Prior to D-64, HAL shall provide Network Rail with relevant details of any events ("HAL Events") that HAL wish to be included in Network Rail's Draft Calendar of Events. These will be incorporated into the Draft Calendar of Events and published by Network Rail to all Timetable Participants
- 7.1.2 Timetable Participants and funders may make representations to HAL in respect of any changes they propose to the HAL Events within the Draft Calendar of Events no later than D-59.
- 7.1.3 Following D-59 and by D-54, HAL shall consider the representations made to it by Timetable Participants and funders pursuant to Condition D7.1.2 and may require that Network Rail amend the Draft Calendar of Events.
- 7.2 **Event Steering Group**
- 7.2.1 HAL shall ensure that each HAL Event is included on the agenda of an appropriate Event Steering Group.
- 7.2.2 The objectives of an Event Steering Group in respect of HAL Events shall be to:
- (a) agree a project plan to achieve a smooth transition for the necessary timetable changes, arising from the HAL Event, through Condition D2 by way of timely industry input into the process ("the Project");
 - (b) oversee and facilitate delivery of the Project;
 - (c) carry out appropriate consultation with Passenger Focus and London TravelWatch, during the course of the Project.

CONDITION D8 - MISCELLANEOUS

- 8.1 **Directions issued by the ORR**
- 8.1.1 Notwithstanding anything else stated in this Part D, HAL shall be bound and entitled to make or give effect to such amendments or changes to a Working Timetable as may be directed from time to time by the ORR in the exercise of its statutory powers, except in relation to any amendment or change which would be impossible to make without infringing the Firm Rights of another.

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8.2 Confidentiality

8.2.1 HAL shall not be required to keep confidential the identity of, or any information provided to it by, any Timetable Participant.

8.3 Removal of Train Slots from Working Timetable where no Access Rights exist

8.3.1 Any movements of trains operated by any person must be made pursuant to permission to use the track for the purpose of or in connection with the operation of those trains under an Access Agreement ("Access Rights"). If, by 22:00 hours on the day before a Timetable Change Date and after consultation with the person proposing to move the trains, HAL reasonably considers that the person proposing to move the trains will not have the necessary Access Rights by the intended date of operation of the Train Slots, then it may remove the Train Slot(s) for the movement of those trains from the Working Timetable due to commence the following day.

8.4 Consultation

8.4.1 Where in this Part D, any party is under an obligation to consult with another, the party obliged to initiate the consultation shall provide the consultee with:

- (a) sufficient information for the consultee to be able to comment on the subject matter of the consultation; and
- (b) a reasonable time in which to respond to the information provided.

Part F: Vehicle Change

Explanatory Note

- A. Part F provides a procedure through which changes to railway vehicles, the use of which is permitted in the access contract and related safety documentation, may be assessed and implemented. Vehicle Change includes any alteration to the physical characteristics of vehicles, including but not limited to, any increase in the length of any trains beyond that permitted by the relevant access contract and supporting operational documentation and any introduction of different vehicles on to the relevant routes which, in any case, is likely materially to affect the maintenance or operation of the HAL infrastructure or the operation of trains on the HAL infrastructure.
- B. The general principle is that before any Vehicle Change can be implemented:
- (i) it must be formally proposed under Part F; and
 - (ii) it must be accepted by HAL; or
 - (iii) to the extent that there is any dispute as to whether the change should be implemented, or the terms on which it should be implemented, such dispute must be resolved (whether by agreement or in accordance with the ADRR) in favour of the change being implemented, although any such dispute should not prevent the implementation of the Vehicle Change, if such change is safety related.
- C. Condition F1 imposes a general obligation on HAL to facilitate Vehicle Change, which includes a number of specific obligations to provide information to Access Beneficiaries and to publish documents generated under Part F on its website. HAL is also obliged to publish model terms and conditions that it is prepared to use in connection with the implementation of Vehicle Change proposals.
- D. Where an Access Beneficiary wishes to make a Vehicle Change proposal, through either the normal Vehicle Change procedure the process is as follows:
- (i) The Access Beneficiary (the "Sponsor") gives a notice of proposal to HAL, affected Access Beneficiaries and other relevant persons. This would include, technical compatibility with the HAL infrastructure, all vehicle characteristics required to assess the proposed change, and proposals as to how HAL or affected Access Beneficiaries should be compensated for the costs, losses and expenses which they may incur as a result of the implementation of the proposed change. HAL must then evaluate the proposal and be permitted to consult with Access Beneficiaries and other relevant persons about the effects of the proposal.
 - (ii) Within 30 days of receiving a notice from an Access Beneficiary, HAL is required to give a notice setting out the Sponsor's proposal and adding further information on its own account (in particular, where it disagrees with elements of the Sponsor's proposal). The notice includes a deadline for HAL to respond to the Sponsor's notice of proposal, which may be adjusted in the light of consultation.
 - (iii) If the deadline for responses is 90 or more days after the date of the notice of proposal, the Sponsor may require HAL to submit preliminary responses or estimates of the costs, losses and expenses which it may incur as a result of the implementation of the proposed change.
 - (iv) HAL is entitled to be reimbursed 75% its reasonable costs of assessing a Vehicle Change proposal by the Sponsor. The Sponsor may require HAL to provide it with estimates of such assessment costs, or to cease incurring such costs.
 - (v) In responding formally to a Vehicle Change proposal, HAL must state whether it, or another Access Beneficiary, objects to the proposal in principle or on the grounds that it contains insufficient information, or whether it, or another operator of railway assets, objects on compensation grounds. The benefits of the change to an Access Party and its chances of recouping its costs or losses from third parties (including passengers) are to be taken into account when determining the amount of any compensation.

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- (vi) The Sponsor must then either reach agreement with HAL and other Access Beneficiaries to the extent that they raise objections to the proposal, refer the matters in dispute in accordance with the ADRR or abandon the proposal. Implementation will then depend on whether the ADRR proceedings result in a determination that the change should be implemented on terms that are acceptable to the Sponsor. If there are no objections to the proposal the Sponsor is entitled to implement it.
 - (vii) After a Vehicle Change has become established, the arrangements for its implementation may be varied according to the terms of any contractual Variation Procedure which forms part of the terms and conditions specified in the notice of proposal and/or is subsequently agreed as a result of the consultation and response process.
- E. Condition F2.10 allows Access Beneficiaries to implement a change for safety reasons, ensuring that the Vehicle Change procedure, whilst having to be completed, does not delay such implementation. The Vehicle Change procedure must be undertaken where a Vehicle Change for safety reasons lasts for more than three months.
- F. Where a Vehicle Change is required as a result of a Change of Law or a Direction from a Competent Authority, the normal Vehicle Change procedure will be applied. In such cases, each Access Party will be responsible for its own costs and losses.
- G. This Explanatory Note does not form part of the HAL Network Code.

Part F: Vehicle Change

Definitions

In this Part F, unless the context otherwise requires:

"Authorised Variation"	<p>means a variation to an Established Vehicle Change, where:</p> <ul style="list-style-type: none"> (a) the terms and conditions on which the Vehicle Change in question was established contain a Variation Procedure; (b) that Variation procedure has been followed in accordance with its terms; and (c) the result of the operation of that Variation procedure is that the Established Vehicle Change has been varied;
"Established Vehicle Change"	<p>means a change which the Sponsor is entitled by this Part F to carry out, and "establish" and "establishment" of a Vehicle Change shall be construed accordingly;</p>
"modification"	<p>includes additions, alterations and omissions, and cognate expressions shall be construed accordingly;</p>
"Relevant Response Date"	<p>means, in relation to a proposal for a Vehicle Change under this Part F, the later of such dates as are reasonably specified by HAL under Condition F2.3.1(b)(i) or Condition F2.4.3 as the date on or before which HAL is to give notice of its response to that proposal under Condition F3.1, having regard to:</p> <ul style="list-style-type: none"> (a) the size and complexity of the change; and (b) the likely impact of the change on the operation of the HAL infrastructure and Access Beneficiaries, <p>and which shall not be:</p> <ul style="list-style-type: none"> (A) less than 60 days; or (B) unless HAL and the Sponsor agree otherwise in writing, more than 90 days, <p>from the date on which HAL's notice under Condition F2.3.1(c) is given;</p>
"Specified Equipment"	<p>means, in respect of an Access Agreement, any railway vehicle the use of which is permitted on the track pursuant to that agreement;</p>
"Sponsor"	<p>means, in relation to a proposal for a Vehicle Change under Condition F2.1, the Access Beneficiary which has made the proposal;</p>
"Variation"	<p>means any modification to the terms or conditions (including as to the specification of the works to be done, their timing, the manner of their implementation, the costs to be incurred and their sharing, and the division of risk) on which an Established Vehicle Change is to be carried out, and "varied" and any other cognate words shall be construed accordingly;</p>
"Variation Procedure"	<p>means, in relation to an Established Vehicle Change, a procedure which:</p> <ul style="list-style-type: none"> (a) forms part of the terms and conditions on which the Vehicle Change is established; and (b) provides for the Established Vehicle Change itself to be varied after it has been first established; and
"Vehicle Change"	<p>means, in relation to an Access Beneficiary:</p> <ul style="list-style-type: none"> (a) any change to Specified Equipment (or, in the case of an Access Option Holder, any change to the type or performance specification of any vehicle specifically identified within an access option) including by

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	<p>way of:</p> <ul style="list-style-type: none">(i) any alteration (not being a change within paragraph (b) below) to the physical characteristics of Specified Equipment (or, in the case of an Access Option Holder, any change to the type or performance specification of any vehicle specifically identified within an access option);(ii) any increase in the length of any trains beyond that permitted by that Access Beneficiary's Access Agreement; or the inclusion in Specified Equipment of any railway vehicle which is not so included; or the inclusion in an access option of any vehicle which is not so included; or(b) any material variation to an Established Vehicle Change which has yet been implemented, other than Authorised Variation; which, in any case, is likely materially to affect the maintenance or operation of the HAL infrastructure or the operation of trains on the HAL infrastructure, but excluding any Authorised Variation.
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Part F: Vehicle Change

Condition F1: Facilitation of Vehicle Change

1.1 Obligation to facilitate Vehicle Change

HAL shall take all reasonable steps to facilitate the development, establishment and implementation of any proposal for Vehicle Change.

1.2 Facilitation

The obligation of HAL under Condition F1.1 includes:

- (a) the provision to an Access Beneficiary of such information concerning the condition, capacity and/or capability of the HAL infrastructure as that Access Beneficiary may reasonably request in connection with the development of a proposal for Vehicle Change (whether the proposal is made by that Access Beneficiary or another person);
- (b) the publication on its website (subject to Condition A3 of the HAL Network Code) of:
 - (i) every proposal for Vehicle Change made by an Access Beneficiary under Condition F2.1;
 - (ii) every response to a proposal for Vehicle Change made by HAL under Condition F3.1;
 - (iii) every determination of matters which have been referred in accordance with the relevant ADRR under Condition F5.1;
 - (iv) every Authorised Variation;
 - (v) standard forms, produced after consultation with every other Access Party and approved by the ORR, for the notification under this Part F of proposals for Vehicle Change, and of responses to such proposals, which:
 - may include different forms for different types of Vehicle Change having regard to the size, complexity and value of the change in question; and
 - shall be used by any person notifying or responding to a proposal for Vehicle Change under this Part F, unless it is not reasonably practicable for it to do so; and
 - (vi) model terms, produced after consultation with every other Access Party and approved by the ORR, by way of supplement to the terms of this Part F and on which HAL is prepared to contract for or in connection with the implementation of a Vehicle Change which:
 - (A) shall provide appropriate and proportionate forms of contract for different types of Vehicle Change having regard to the size, complexity and value of the change;
 - (B) may include Variation Procedures; and
 - (C) shall, so far as reasonably practicable, form the basis of any terms and conditions relating to the implementation of a Vehicle Change which are proposed by an Access Beneficiary or under Condition F2;
- (c) the provision of a preliminary response to an Access Beneficiary's proposal for Vehicle Change under Condition F2.4;
- (d) such consultation before a notice of a proposal for a Vehicle Change is submitted by an Access Beneficiary as may reasonably be expected to enable that operator to assess the feasibility and affordability of the proposed change; and
- (e) such consultation with each Access Beneficiary that HAL considers may be affected by the implementation of the proposed Vehicle Change before a notice of a proposal for a Vehicle Change is submitted by an Access Beneficiary as:

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- (i) HAL considers reasonably necessary; and
- (ii) any such person may reasonably request,
to enable the proposal to be developed in an efficient and economical manner; and
- (f) If requested, provision of the names and contact details of each Access Beneficiary which HAL considers may be affected by the implementation of the proposed Vehicle Change.

Condition F2: Initiation of Vehicle Change procedure

2.1 Submission of proposal

If an Access Beneficiary wishes to make a Vehicle Change, it shall:

- (a) submit to HAL and each Access Beneficiary that may be affected by the implementation of the proposed Vehicle Change as advised by HAL to the Access Beneficiary under Condition F1.3(f) or which has notified the Access Beneficiary that it may be so affected, a proposal for such change;
- (b) provide details to HAL of all Access Beneficiaries to which the proposal for change has been submitted under Condition F2.1(a);
- (c) notify:
 - (i) the Secretary of State; and
 - (ii) the ORR;that it has submitted a proposal for Vehicle Change to HAL; and
- (d) permit HAL to consult with the persons specified in Condition F2.1(c) to the extent provided for under Condition F2.3 subject to such requirements as to confidentiality as are reasonable.

2.2 Content of Sponsor's notice of proposal

A notice of proposal for Vehicle Change given by a Sponsor under Condition F2.1 shall:

- (a) state:
 - (i) the reasons why it is proposed to make the change;
 - (ii) the nature of the change, including:
 - (A) any material change which the Sponsor proposes to make to the physical characteristics of any vehicle which is already included within the Specified Equipment; and
 - (B) a description of any vehicle which is not already included within the Specified Equipment, but which the Sponsor proposes to include within the Specified Equipment;
 - (iii) in the case of any vehicle of the kind referred to in Condition F 2.2(a)(ii)(A):
 - whether it is proposed to operate it on any part of the HAL infrastructure on which it does not already operate; and
 - whether it is proposed to operate it at higher speeds or tonnages or to a larger gauge than it has previously been operated over any part of the HAL infrastructure on which such a vehicle already operates;
 - (iv) in the case of any vehicle of the kind referred to in Condition F2.2(a)(ii)(B), over what parts of the HAL infrastructure, and at what speeds, it proposes to operate such vehicles;

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- (v) the proposed timetable for the implementation of the change, including whether it intends to implement the change using the Expedited Procedure;
 - (vi) the Sponsor's proposals (if any) for the division of the costs of carrying out the change, including any proposals in relation to the calculation or payment of compensation to any Access Party in respect of the change; and
 - (vii) any additional terms and conditions which the Sponsor proposes should apply to the change, including any proposed Variation Procedure; and
- (b) be prepared to a standard, and in such detail, as is reasonably necessary, having due regard to the level of knowledge and expertise reasonably to be expected of each Access Beneficiary that HAL considers may be affected by the implementation of the proposed Vehicle Change, to enable:
- (i) HAL; and
 - (ii) any Access Beneficiary that HAL considers may be affected by the implementation of the proposed Vehicle Change,
to assess the likely effect of the proposed change on its business, its assets and its performance of any obligations or the exercise of any rights or discretions which it has in relation to railway services.

2.3 Evaluation of proposal and consultation

2.3.1 If HAL receives a proposal for Vehicle Change under Condition F2.1, it shall:

- (a) evaluate and discuss that proposal with the Sponsor for such period as is reasonable having due regard to the likely impact of the proposed Vehicle Change on either or both of HAL and other operators of trains;
- (b) within 30 days of the date on which the Sponsor's notice under Condition F2.1 was given, give a notice to the persons specified in Conditions F2.1 (a) (with the exception of HAL) and (c), with a copy to the Sponsor, inviting them to submit comments on the proposed Vehicle Change by a specified date, which shall not be earlier than 10, or later than 7 days before the Relevant Response Date, stating:
 - (i) the Relevant Response Date and the obligations of Access Parties under Conditions F2 and F3;
 - (ii) HAL's estimate of the likely impact of the change on the operation and performance of the HAL infrastructure; and
 - (iii) HAL's own proposals as to:
 - (A) the arrangements for, and any proposed terms applicable to, the implementation of the change;
 - (B) the arrangements for determining and paying any compensation in respect of the change;
 - (C) the timetable for implementation of the change;
 - (D) the division of the costs of carrying out the change; and
 - (E) the additional terms and conditions (if any) which should apply to the change, including any Variation Procedure;
- (c) send the proposal for Vehicle Change to any Access Beneficiary that may be affected by the implementation of the proposed Vehicle Change if the Sponsor has not already done so in accordance with Condition F2.1 (a); and

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- (d) provide details to the Sponsor of all Access Beneficiaries (if any) to which HAL has sent the proposal for Vehicle Change under Condition F2.3.1 (c).
- 2.3.2 In preparing a notice under Condition F2.3.1, HAL:
- (a) shall comply with the standards specified in Condition F2.2(b); and
 - (b) in respect of each of the matters specified in Condition F2.3.1(b)(iii):
 - (i) shall have regard to any relevant statements and proposals contained in the Sponsor's notice under Condition F2.1;
 - (ii) shall give reasons for any differences between those statements and proposals and its own proposals under Condition F2.3.1(b)(iii); and
 - (iii) may annex to its notice any proposal contained in the Sponsor's notice under Condition F2.1 with which it agrees, stating its agreement, and, where appropriate, that it has no proposals of its own on the matter concerned.
- 2.3.3 If an Access Beneficiary receives a proposal for Vehicle Change under Condition F2.1 or Condition F2.3.1 (c), it shall evaluate and discuss the proposal with HAL for such period as is reasonable having due regard to the likely impact of the proposed Vehicle Change on that Access Beneficiary.
- 2.4 Preliminary response and estimate
- 2.4.1 Except in the circumstances and to the extent specified in Condition F2.4.2, HAL shall, when consulted by the Sponsor, take all reasonable steps to comply with any request of the Sponsor to provide the Sponsor, within a reasonable period of time, and at no cost to the Sponsor:
- (a) a preliminary estimate of those costs, losses and expenses referred to in Condition F3.2 which may be incurred by HAL; or
 - (b) a preliminary written response in respect of a proposed Vehicle Change, which shall:
 - (i) be binding on HAL, unless HAL indicates otherwise; and
 - (ii) if it is negative, include reasons.
- 2.4.2 HAL shall not be obliged to comply with a request from the Sponsor under Condition F2.4.1:
- (a) unless:
 - (i) the Relevant Response Date is 90 or more days after the date on which HAL's notice under Condition F2.3.1(b) was given; and
 - (ii) the request is made within 7 days of the Sponsor receiving HAL's notice under Condition F2.3.1(b); or
 - (b) to the extent that HAL is unable to comply with such a request, having regard to the information reasonably available to it.
- 2.4.3 After consultation with the Sponsor HAL may notify a later Relevant Response Date to the Sponsor and the persons to whom it gave its notice under Condition F2.3.1(b).
- 2.5 Reimbursement of costs
- Subject to Conditions F2.4 and F3, HAL shall be entitled to reimbursement by the Sponsor of 75% of all costs incurred by HAL in assessing any Vehicle Change proposed by the Sponsor. Those costs shall be the minimum reasonably necessary for HAL to carry out that assessment.

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2.6 Provision of estimate of costs by HAL

- 2.6.1 HAL shall, upon request from the Sponsor, from time to time, provide the Sponsor with written estimates of the costs of assessing a proposal for Vehicle Change submitted by the Sponsor (as referred to in Condition F2.5) including estimated costings of the work to be carried out and shall:
- (a) be entitled to require reasonable assurances of payment in respect of any material work to be carried out for the purposes of that evaluation before commencing such work; and
 - (b) upon request from the Sponsor from time to time, provide the Sponsor or its agents with such information as may be reasonably necessary to enable the Sponsor to assess the reasonableness of any estimate.

2.7 Accuracy of estimates

HAL shall ensure that any estimates given by it are, so far as reasonably practicable, accurate on the basis of the information reasonably available to it.

2.8 Obligation to incur no further costs

HAL shall, if requested by the Sponsor at any time, incur no further costs (except any costs that cannot reasonably be avoided) in respect of any proposal for Vehicle Change made by the Sponsor.

2.9 Relationship with HAL Network Change

If the implementation of a proposed Vehicle Change also requires the implementation of a HAL Network Change, the Sponsor shall follow the procedures and satisfy the requirements of both this Part F and Part G and the requirement for a HAL Network Change shall not preclude the right of the Sponsor to follow the procedure in this Part F for a Vehicle Change or vice versa.

2.10 Vehicle Change for safety reasons

To the extent that a Vehicle Change is required to be made by an Access Beneficiary for safety reasons, the Access Beneficiary shall not be obliged to implement the procedure set out in this Part F in relation to that change until the change has lasted for three months (or such longer period as may be specified in the relevant Access Beneficiary's Access Agreement). Upon expiry of the relevant period, the Access Beneficiary shall promptly commence implementing and thereafter comply with the procedure set out in this Part F as if the relevant Vehicle Change were a Vehicle Change proposed by the Access Beneficiary.

Condition F3: Response to vehicle change proposal

3.1 Obligation to give notice of response

HAL shall give notice to the Sponsor, if:

- (a) it considers that one or more of the following conditions has been satisfied:
 - (i) the implementation of the change would necessarily result in HAL breaching any access contract (other than an access contract to which the Sponsor is a party);
 - (ii) the Sponsor has failed in a material respect to comply with its obligations under Condition F2.2 provided that HAL shall first have given the Sponsor a reasonable opportunity to remedy that failure; or

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- (iii) the implementation of that change would result in a material adverse effect on the maintenance or operation of the HAL infrastructure or operation of trains on the HAL infrastructure, which in any such case cannot adequately be compensated under this Condition F3;
- (b) any Access Beneficiary shall have given notice to HAL that it considers that any of the conditions specified in paragraph (a) above has been satisfied;
- (c) it considers that it should be entitled to compensation from the Sponsor for the consequences of the implementation of the change either
 - (i) in accordance with compensation terms proposed under Condition F2,
 - (ii) in the absence of any compensation terms proposed under Condition F2, or
 - (iii) on compensation terms other than those proposed under Condition F2; and/or
- (d) any other operator of railway assets shall have given notice to HAL that it considers that it should be entitled to compensation from the Sponsor for the consequences of the implementation of the change either
 - (i) in accordance with compensation terms proposed under Condition F2,
 - (ii) in the absence of any compensation terms proposed under Condition F2, or
 - (iii) on compensation terms other than those proposed under Condition F2.

Any notice of the kind referred to in paragraphs (a) or (b) above shall include the reasons for the opinion in question. Any notice of the kind mentioned in paragraphs (c) or (d) above shall include a statement of the amount of compensation required and the means by which the compensation should be paid, including any security or other assurances of payment which the Sponsor should provide. Any such statement shall contain such detail as is reasonable to enable the Sponsor to assess the merits of the statement.

3.2 Amount of compensation

Subject to Condition F3.3, the amount of the compensation referred to in Condition F3.1 shall be an amount equal to the amount of the costs, direct losses and expenses (including loss of revenue) which can reasonably be expected to be incurred by HAL or the operator in question as a consequence of the implementation of the proposed change other than any such costs, losses or expenses which are attributable to the Sponsor improving its ability to compete with other operators of railway assets.

3.3 Benefits to be taken into account

There shall be taken into account in determining the amount of compensation referred to in Condition F3.1:

- (a) the benefit (if any) to be obtained or likely in the future to be obtained by HAL or any other operator of trains as a result of the proposed Vehicle Change; and
- (b) the ability or likely future ability of HAL or any other operator of trains to recoup any costs, losses and expenses from third parties including passengers and customers.

Condition F4: Changes imposed by competent authorities

- 4.1 Where an Access Beneficiary is required (other than at the request or instigation of the Access Beneficiary) to implement a Vehicle Change as a result of any Change of Law or any Direction of any

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Competent Authority other than the ORR exercising any of its functions which do not fall within the definition of 'safety functions' as defined in section 4 of the Act:

- (a) each Access Party shall, except to the extent that the relevant Change of Law or Direction otherwise requires, comply with Conditions F2.1, F2.2 and F2.3 (other than Conditions F2.2(a)(vi) and F2.3.1(b)(iii)(B) and (D)) in respect of that Vehicle Change;
- (b) HAL shall make such alterations (if any) to the HAL infrastructure as are reasonably necessary to accommodate that Vehicle Change and each Access Party shall, except to the extent that the relevant Change of Law or Direction otherwise requires, comply with Conditions G1.1 and G1.2; and
- (c) each Access Party shall bear its own costs and losses arising out of the implementation of the Vehicle Change and the consequences thereof.

Condition F5: Appeal procedure

5.1 Right of appeal in accordance with the ADRR

5.1.1 If any Access Party is dissatisfied as to:

- (a) any matter concerning the operation of the procedure set out in this Part F;
- (b) the contents of any notice given by HAL under Condition F3.1 (and, in particular, the amount of any compensation referred to in that Condition); or
- (c) any estimate referred to in Condition F2.6,

it may refer the matter for determination in accordance with the ADRR.

Condition F6: Establishment and implementation

6.1 Implementation of a proposed Vehicle Change

6.1.1 With the exception of any Vehicle Change implemented under Condition F2.10, the Sponsor shall be entitled to implement a proposed Vehicle Change if:

- (a) HAL has not given notice under Condition F3.1 by the Relevant Response Date; or
- (b) HAL has given notice by the Relevant Response Date under Condition F3.1 (c) and either the amount of any compensation referred to in Condition F3.1 has been agreed, or resolved, or the method by which such compensation is to be calculated has been agreed or resolved under Condition F5; or
- (c) HAL has received notice from an Access Beneficiary under Condition F3.1(d) and either the amount of any compensation referred to in Condition F3.1 has been agreed, or resolved, or the method by which such compensation is to be calculated has been agreed or resolved under Condition F5; and
- (d) there is no other unresolved dispute under this Part F (whether under this Condition F6 or otherwise) as regards the proposed change between the Sponsor and HAL or any Access Beneficiary.

6.1.2 The Sponsor may, if it considers it expedient to do so in order to confirm whether or not Condition F6.1.1 has been satisfied, instruct HAL to issue a notice to all affected Access Beneficiaries when the Sponsor reasonably believes that it is entitled to implement a proposed Vehicle Change and HAL shall then serve such a notice within 7 days of the instruction.

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6.1.3 The Sponsor's entitlement to implement a proposed Vehicle Change shall be treated as confirmed 35 days after HAL has served a notice in respect of that Vehicle Change in accordance with Condition F6.1.2 unless:

- (a) HAL gives notice to the Sponsor within 35 days disputing the Sponsor's entitlement to implement that Vehicle Change under Condition F6.1.1 and giving full particulars of its reasons; or
- (b) HAL receives notice from an Access Beneficiary within 21 days of the notice served by HAL disputing the Sponsor's entitlement to implement that Vehicle Change under Condition F6.1.1 and giving full particulars of its reasons.

6.1.4 If the Sponsor does not agree with the contents of a notice served by HAL or an affected Access Beneficiary in accordance with Condition F6.1.3, the Sponsor may:

- (a) refer the matter for determination in accordance with the ADRR and Condition F5 shall apply; or
- (b) withdraw the proposed Vehicle Change.

6.2 When a Vehicle Change may not be implemented

6.2.1 The Sponsor shall not be entitled to implement a proposed Vehicle Change unless it is so entitled to do so under Condition F6.1.1.

6.2.2 For the purposes of the Condition F6.1.1, unresolved disputes shall include:

- (a) a notice has been served under Condition F3.1(a) or (b) which has not been withdrawn, resolved under Condition F5 or agreed not to apply; and
- (b) a notice has been served under Condition F3.1(c) or (d) which has not been agreed or resolved as referred to in Condition F6.1.1 (b) or (c) or otherwise agreed, resolved or withdrawn.

Part G: HAL Network Change

Explanatory Note

- A. Part G is concerned with the procedures which Access Parties must go through when certain types of change to the HAL infrastructure (defined as "HAL Network Change") occur or are proposed.
- B. The definition of "HAL Network Change" is broad, and much of it is expressed in non-exhaustive terms (i.e. after some general words of definition, HAL Network Change is said to "include" certain specific things by way of illustration or example, but that does not necessarily mean that other things are excluded). The definition should always be considered carefully and in its entirety before any decision is made as to whether a particular change falls within the scope of Part G. The following specific points should also be noted:
- (i) only changes which are likely to have a material effect on the operation of the infrastructure or of trains operated on the infrastructure are HAL Network Changes;
 - (ii) HAL Network Changes can either be physical (e.g. changes to the layout, configuration or condition of the infrastructure) or operational (e.g. the introduction of a speed restriction on a section of track, a change to the way HAL maintains track or a change to the monitoring points used in the application of Schedule 8 of the Track Access Agreements), but operational changes are only HAL Network Changes if they last, or are likely to last, for more than six months;
 - (iii) closures of lines which are covered by the statutory procedures under the Act (i.e. lines which are, or have in the preceding five years been, used for passenger services) and
 - (iv) closures of lines which are not covered by the statutory procedures under the Act (i.e. lines which are, or have in the preceding five years, been used only for freight services) are HAL Network Changes.
- C. From a procedural point of view, Part G divides HAL Network Changes into two categories: those proposed by HAL and those proposed by an Access Beneficiary. All HAL Network Changes, whether proposed by HAL or by an Access Beneficiary, are implemented by HAL.
- D. The general principle is that before any HAL Network Change can be implemented:
- (i) it must be formally proposed under Part G; and
 - (ii) it must be accepted by those Access Beneficiaries whom it will affect (and, where the change is proposed by an Access Beneficiary, by HAL); or
 - (iii) to the extent that there is any dispute as to whether the change should be implemented, or the terms on which it should be implemented, such dispute must be resolved (whether by agreement or in accordance with the ADRR) in favour of the change being implemented.
- E. However, it is recognised that:
- (i) safety considerations will sometimes dictate that HAL must make a HAL Network Change very quickly, without recourse to all the procedures under Part G. In such cases, HAL's obligations under Part G may be subordinated to the interests of safety to a greater or lesser extent, depending on the circumstances (see further Condition G1.10); and
 - (ii) where a HAL Network Change is required to be made as a result of a Change of Law or a Direction of a Competent Authority, most of the normal obligations of Access Parties under Part G do not apply (see further Condition G9).
- F. Condition GA imposes a general obligation on HAL to facilitate HAL Network Change, which includes a number of specific obligations to provide information to Access Beneficiaries and to publish documents generated under Part G on its website. HAL is also obliged to publish model terms and conditions which it is prepared to use in connection with the implementation of HAL Network Change proposals.

Part G: HAL Network Change

- G.** Conditions G1 and G2 are concerned with proposals made by HAL. Conditions G3 and G4 are concerned with proposals made by Access Beneficiaries. Condition G5 is concerned with the expiry and reversal process of a Short Term HAL Network Change. G6 is concerned with mandatory changes (resulting from a Change of Law or a Direction of a Competent Authority). Condition G7 is concerned with the processes that may be adopted for establishing and implementing HAL Network Changes. Condition G8 is concerned with dispute resolution in connection with HAL Network Change proposals.
- H.** Where HAL wishes to make a HAL Network Change proposal the procedure is as follows:
- (i) HAL gives a notice of proposal and sets a deadline for Access Beneficiaries to respond to it. Conditions G1.1 and G1.2 specify the persons to whom the notice must be given and what it must contain. In particular, the notice is to contain information on the likely material effects of the HAL Network Change and the reasons for its proposal and proposals as to how affected Access Beneficiaries should be compensated for the costs, losses and expenses which they may incur as a result of the implementation of the proposed change.
 - (ii) HAL consults with operators of railway assets likely to be affected by the proposed change and may adjust the deadline for responses in the light of consultation.
 - (iii) If the deadline for responses is 60 or more days after the date of HAL's notice, HAL may require Access Beneficiaries to submit preliminary responses or estimates of the costs, losses and expenses which they may incur as a result of the implementation of the proposed change.
 - (iv) Access Beneficiaries are entitled to be reimbursed 75% of their reasonable costs of assessing a HAL Network Change proposal by HAL. HAL may require Access Beneficiaries to provide it with estimates of such assessment costs, or to cease incurring such costs.
 - (v) In responding formally to a HAL Network Change proposal, an Access Beneficiary must either accept the proposal in its entirety or object to it on one or more of the grounds specified in Condition G2.1.1(a). Grounds for objection fall into four categories: objections to the proposed change because it would breach the Access Beneficiary's access contract; objections to the change proposal on the grounds that it does not contain sufficient information to allow the Access Beneficiary to make an informed response; objections to the proposed change on the grounds that it would result in a material deterioration in performance that could not adequately be compensated; and objections to the proposed change because it does not take into account the reasonable expectations of the Access Beneficiary in relation to the future use of the part of the HAL infrastructure in question. When making a claim for compensation for costs, losses and expenses which it may incur as a result of the proposed change, an Access Beneficiary must state on what terms it believes such compensation should be paid. The benefits of the change to the Access Beneficiary and its chances of recouping its costs or losses from third parties (including passengers) are to be taken into account when determining the amount of such compensation.
 - (vi) HAL must then either reach agreement with any objecting Access Beneficiaries, refer the matters in dispute in accordance with the ADRR or abandon the proposal. Implementation will then depend on whether the ADRR proceedings result in a determination that the change should be implemented on terms which are acceptable to HAL. If no Access Beneficiary objects to a HAL Network Change proposal, HAL is entitled to implement following the procedure set out in Condition G7.
- I.** The Short Term HAL Network Change process allows HAL to propose to maintain any part of the infrastructure at less than the published capability for a specified period. Condition G5 provides Access Beneficiaries with the ability to request, at HAL's cost, the reversal of any such change should they have a reasonable expectation as to the future use of the relevant part of the HAL infrastructure before the expiry of the specified period.
- J** Where an Access Beneficiary wishes to make a HAL Network Change proposal, the procedure is as follows:

Part G: HAL Network Change

- (i) The Access Beneficiary ("Sponsor") gives a notice of proposal to HAL. Condition G3.2 prescribes the contents of such a notice. In particular, the notice is to contain information on the likely material effects of the HAL Network Change and the reasons for its proposal and proposals as to how HAL and affected Access Beneficiaries should be compensated for the costs, losses and expenses which they may incur as a result of the implementation of the proposed change. HAL must then evaluate the proposal and be permitted to consult with Access Beneficiaries and other relevant persons about the effects of the proposal.
 - (ii) Within 30 days of receiving the Sponsor's notice, HAL gives a notice setting out the Sponsor's proposal and adding further information on its own account (in particular, where it disagrees with elements of the Sponsor's proposal). The notice includes a deadline for HAL to respond to the Sponsor's notice of proposal, which may be adjusted in the light of consultation.
 - (iii) If the deadline for responses is 90 or more days after the date of HAL's notice, the Sponsor may require HAL to submit preliminary responses or estimates of the costs, losses and expenses which it may incur as a result of the implementation of the proposed change.
 - (iv) HAL is entitled to be reimbursed 75% of its reasonable costs of assessing a HAL Network Change proposal by the Sponsor. The Sponsor may require HAL to provide it with estimates of such assessment costs, or to cease incurring such costs.
 - (v) In responding formally to a HAL Network Change proposal, HAL must state on its own behalf and on behalf of any other Access Beneficiary, whether the proposal is accepted in its entirety or objected to on one or more of the grounds specified in Condition G4.1.1(a) or (b). If a HAL Network Change proposal is accepted and HAL and/or an affected Access Beneficiary make a claim for compensation for costs, losses and expenses which it may incur as a result of the proposed change, HAL must state on what terms it (or another Access Beneficiary) believes such compensation should be paid. The benefits of the change to HAL or any other Access Beneficiary and their chances of recouping their costs or losses from third parties (including passengers) are to be taken into account when determining the amount of any compensation.
 - (vi) The Sponsor must then either reach agreement with HAL and other Access Beneficiaries to the extent that they raise objections to the proposal, refer the matters in dispute for determination in accordance with the ADRR or abandon the proposal. Implementation will then depend on whether the ADRR proceedings (see further Condition G10) result in a determination that the change should be implemented.
 - (vii) Where a proposal for HAL Network Change proposed by an Access Beneficiary requires the implementation of a Vehicle Change, that Access Beneficiary must follow the required procedures under Part F as well as those under Part G.
- K. This Explanatory Note does not form part of the HAL Network Code.

Part G: HAL Network Change

Definitions

In this Part G, unless the context otherwise requires:

"Authorised Variation"	means a variation to an Established HAL Network Change, where: (a) the terms and conditions on which the HAL Network Change in question was established contain a Variation Procedure; (b) that Variation Procedure has been followed in accordance with its terms; and (c) the result of the operation of that Variation Procedure is that the Established HAL Network Change has been varied;
"Change"	includes: (a) improvement or deterioration, enlargement or reduction; and (b) for the purposes of paragraph (b) of the definition of HAL Network Change, a series of changes;
"Effective Date"	means the date specified in a notice of proposal of a Short Term HAL Network Change upon which the Short Term HAL Network Change is proposed to become effective;
"Established Date"	means the first date upon which a Short Term HAL Network Change can be implemented in accordance with Condition G7, whether or not the Change is implemented on that day;
"Established HAL Network Change"	means a Change falling within the definition of "HAL Network Change" and which: (a) in the case of a HAL Network Change proposed by HAL, HAL is entitled to carry out having complied with the procedural and other requirements of this Part G; and (b) in the case of a HAL Network Change proposed by an Access Beneficiary, HAL is required by this Part G to carry out, and "establish" and "establishment" of a HAL Network Change shall be construed accordingly;
"Expiry Date"	means the date specified in a notice of proposal in relation to a Short Term HAL Network Change which shall not be more than two years, or such longer period as is agreed between HAL and each Access Beneficiary that may be affected by the implementation of the proposed Short Term HAL Network Change or determined in accordance with Condition G8, from the later of the Effective Date and the Established Date;
"Governmental Body"	means any local, national or supra-national agency, authority, department, inspectorate, minister, ministry, official, court, tribunal, or public or statutory person (whether autonomous or not and including the ORR);
"Method of Delivery"	includes the means of securing access to an operational document and the ability to make use of the data contained in an operational document;
"modification"	includes additions, alterations and omissions, and cognate expressions shall be construed accordingly;
"HAL Network Change"	means, in relation to an Access Beneficiary: (a) any Change in or to any part of the infrastructure (including its layout, configuration or condition) which is likely materially to affect the operation of: (i) the infrastructure; or (ii) trains operated by, or anticipated as being operated in accordance with the terms of any access option, by or on behalf of that Access Beneficiary on the infrastructure; or (b) any Change to the operation of the infrastructure (being a Change which does not fall within paragraph (a) above) which: (i) is likely materially to affect the operation of trains operated by, or anticipated as being operated in accordance with the terms of any access option, by or on behalf of that Access Beneficiary on the infrastructure; and

Part G: HAL Network Change

	<p>(ii) has lasted or is likely to last for more than six months, including</p> <ul style="list-style-type: none"> (A) a temporary speed restriction; (B) a material Change to the location of any of the specified points referred to in Condition B1.1.1(a); or (C) a Change to the Method of Delivery of any operational documentation (other than Railway Group Standards) owned or used by an Access Party; or (D) any material variation to an Established HAL Network Change, other than an Authorised Variation, <p>but does not include a closure (as defined in the Railways Act 2005)</p>
"Preparatory Works"	means testing, trials, pilot activities, surveys and all other activities reasonably necessary to develop the proposed HAL Network Change;
"Relevant Costs"	means, in respect of any HAL Network Change implemented in accordance with Condition G6:
	<ul style="list-style-type: none"> (a) in respect of HAL, all costs, direct losses and expenses (including loss of revenue and liabilities to other Access Beneficiaries but excluding liabilities under any Access Beneficiary's Access Agreement as a consequence of any Restriction of Use in connection with the implementation of that HAL Network Change) incurred by HAL as a consequence of the implementation of that HAL Network Change; (b) in respect of any Access Beneficiary, the amounts which would otherwise be due under that Access Beneficiary's Access Agreement as a consequence of any Restriction of Use in connection with the implementation of that HAL Network Change;
"Relevant Response Date"	means:
	<ul style="list-style-type: none"> (a) in relation to a proposal for a HAL Network Change under Condition G1, the later of such dates as are reasonably specified by HAL under Condition G1.2(a) and Condition G1.3.2 as the date on or before which an Access Beneficiary is to give notice of its response to that proposal under Condition G2.1, having regard to: <ul style="list-style-type: none"> (i) the size and complexity of the Change; and (ii) the likely impact of the Change on the Access Beneficiary, and which shall not be less than 30 days from the date on which the notice of the proposal for Change is given; and (b) In relation to a proposal for a HAL Network Change under Condition G3, the later of such dates as are reasonably specified by HAL under Condition G3.3.1(c)(i) and Condition G3.4.3 as the date on or before which it is to give notice of its response to that proposal under Condition G4.1, having regard to: <ul style="list-style-type: none"> (i) the size and complexity of the Change; and (ii) the likely impact of the Change on Access Beneficiaries, and which shall not be: <ul style="list-style-type: none"> (A) less than 60 days; or (B) unless HAL and the Sponsor agree otherwise in writing, more than 90 days, <p>from the date on which HAL's notice under Condition G3.3.1(c) is given;</p>
"Short Term HAL Network Change"	means a HAL Network Change which HAL specifies as such in any proposal made under Condition G1, being a HAL Network Change which involves only a temporary reduction in the capability of the infrastructure for a defined period of time during which there is no reasonable expectation of a requirement for the capability being temporarily withdrawn;
"Sponsor"	means, in relation to a proposal for a HAL Network Change under Condition G3.1, the Access Beneficiary which has made the proposal;

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"variation"	means any modification to the terms or conditions (including as to the specification of the works to be done, their timing, the manner of their implementation, the costs to be incurred and their sharing, and the division of risk) on which an established HAL Network Change is to be carried out, and "varied" and any other cognate words shall be construed accordingly; and
"Variation Procedure"	means, in relation to an established HAL Network Change, a procedure which: (a) forms part of the terms and conditions on which the HAL Network Change is established; and (b) provides for the Established HAL Network Change itself to be varied after it has been first established.

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Condition GA: Facilitation of HAL network change

A1 Obligation to facilitate HAL Network Change

HAL shall take all reasonable steps to facilitate the development, establishment and implementation of any proposal for HAL Network Change.

A2 Limit of obligation

Condition GA1 does not oblige HAL to do anything which it is not required to do under its network licence.

A3 Facilitation

The obligation of HAL under Condition GA1 includes:

- (i) the provision to an Access Beneficiary of such information concerning the condition, capacity and/or capability of the infrastructure as that Access Beneficiary may reasonably request in connection with the development of a proposal for HAL Network Change (whether the proposal is made by that Access Beneficiary or another person);
- (a) the publication on its website (subject to Condition A3 of the HAL Network Code) of:
 - (i) every proposal for HAL Network Change made by HAL under Condition G1.1 or by an Access Beneficiary under Condition G3.1;
 - (ii) every response to a proposal for HAL Network Change made by an Access Beneficiary under Condition G2.1 or by HAL under Condition G4.1;
 - (iii) the determinations of matters which have been referred for determination in accordance with the ADRR under Condition G8.1 and which fall to be published in accordance with the ADRR;
 - (iv) every Authorised Variation;
 - (v) standard forms, produced after consultation with every other Access Party and approved by the ORR, for the notification under this Part G of proposals for HAL Network Change, and of responses to such proposals, which:
 - (A) may include different forms for different types of HAL Network Change having regard to the size, complexity and value of the Change in question; and
 - (B) shall be used by any person notifying or responding to a proposal for HAL Network Change under this Part G, unless it is not reasonably practicable for it to do so; and
 - (vi) model terms and conditions, produced after consultation with every other Access Party by way of supplement to the terms of this Part G and on which HAL is prepared to contract for or in connection with the implementation of a HAL Network Change which:
 - (A) shall provide appropriate and proportionate forms of contract for different types of HAL Network Change having regard to the size, complexity and value of the Change in question;
 - (B) may include Variation Procedures; and
 - (C) shall, so far as reasonably practicable, form the basis of any terms and conditions relating to the implementation of a HAL Network Change which are proposed by HAL under Condition G1 or by an Access Beneficiary under Condition G3;
- (b) the provision of a preliminary response to a proposal for HAL Network Change by an Access Beneficiary under Condition G3.4;
- (c) such consultation before a notice of a proposal for a HAL Network Change is submitted by an Access Beneficiary as may reasonably be expected to enable that Access Beneficiary to assess the feasibility and affordability of the proposed Change; and

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- (d) such consultation with the persons specified in Condition G1.1(a) and G3.1.1(b) before a notice of a proposal for a HAL Network Change is given by HAL or submitted by an Access Beneficiary as:
 - (i) HAL considers reasonably necessary; and
 - (ii) any person specified in Condition G1.1(a) and G3.1.1(b) may reasonably request,to enable the proposal to be developed in an efficient and economical manner.

Condition G1: HAL Network change proposal by HAL

1.1 Notice of proposal

Subject to Conditions G1.9 and G1.10, if HAL wishes to make a HAL Network Change, it shall:

- (a) give notice of its proposal for HAL Network Change to:
 - (i) each Access Beneficiary that may be affected by the implementation of the proposed HAL Network Change;
 - (ii) Secretary of State, the ORR; and
 - (iii) Transport for London by the implementation of the proposed HAL Network Change; and
- (b) without delay publish on its website a summary of its proposal for HAL Network Change.

1.2 Content of notice of proposed HAL Network Change

A notice of a proposed HAL Network Change given by HAL under Condition G1.1 shall:

- (a) state the Relevant Response Date and the obligations of Access Parties
- (b) indicate whether the proposed HAL Network Change is a Short Term HAL Network Change;
- (c) invite the persons specified in Condition G1.1(a)(ii)-(iii) to submit comments by the Relevant Response Date;
- (d) contain:
 - (i) the reasons why it is proposed to make the Change, including the effects it is intended or may reasonably be expected to have on the operation of the infrastructure or on trains operated on the infrastructure;
 - (ii) a specification of the works to be done (including a plan showing where the work is to be done and the parts of the infrastructure and associated railway assets likely to be affected);
 - (iii) the proposed times within which the works are to be done and when they are intended or may reasonably be expected to be begun and completed;
 - (iv) HAL's proposals (if any) for the division of the costs of carrying out the Change, including any proposals in relation to the calculation or payment of compensation to Access Beneficiaries in respect of the Change;
 - (v) in the case of a Short Term HAL Network Change:
 - (A) HAL's proposals as to the Effective Date;
 - (B) HAL's proposals as to the Expiry Date;
 - (C) the estimated timescale in which the Change could reasonably be reversed if so requested by an Access Beneficiary based on its reasonable expectations as to future use of the infrastructure; and

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- (D) the capability of the relevant section of the infrastructure before the proposed Short Term HAL Network Change (and any Short Term HAL Network Change which it succeeds) and the proposed reduction to that capability;
- (vi) any additional terms and conditions which HAL proposes should apply to the Change, including any proposed Variation Procedure;
- (vii) the results of any consultation undertaken in accordance with Condition G5; and
- (viii) the results of any Preparatory Works undertaken in accordance with Condition G6; and
- (e) be prepared to a standard, and in such detail, as is reasonably necessary, having due regard to the level of knowledge and expertise reasonably to be expected of the persons specified in Condition G1.1(a), to enable any such person to assess the likely effect of the proposed Change on its business and its performance of any obligations or the exercise of any discretions which it has in relation to railway services.

1.3 Consultation

- 1.3.1 HAL shall, after giving notice of any proposal for HAL Network Change under Condition G1.1, consult with each operator of railway assets likely to be materially affected by the proposed Change to the extent reasonably necessary so as properly to inform that operator of the Change and to enable that operator to assess the consequences for it of the proposed Change.
- 1.3.2 After consultation under this Condition G1.3, HAL may notify a later Relevant Response Date to the persons to whom the notice of proposal for HAL Network Change was given.

1.4 Obligations on Access Beneficiaries to facilitate HAL Network Change

- 1.4.1 Except in the circumstances and to the extent specified in Condition G1.4.2, an Access Beneficiary shall, when consulted by HAL under Condition G1.3, take all reasonable steps to comply with any written request of HAL to provide HAL, within a reasonable period of time and at no cost to HAL, with:
 - (a) a preliminary estimate of those costs, losses and expenses referred to in Condition G2.2; or
 - (b) a preliminary written response in respect of the proposed HAL Network Change, which shall:
 - (i) be binding on the Access Beneficiary, unless the Access Beneficiary indicates otherwise; and
 - (ii) if it is negative, include reasons.
- 1.4.2 An Access Beneficiary shall not be obliged to comply with a request from HAL under Condition G1.4.1:
 - (a) unless:
 - (i) the Relevant Response Date is 60 or more days after the date on which the proposal for HAL Network Change was given; and
 - (ii) the request is made at the same time as HAL gives its notice under Condition G1.1; or
 - (b) to the extent that the Access Beneficiary is unable to comply with such a request, having regard to the information reasonably available to it.

1.5 Reimbursement of costs

Subject to Conditions G1.4 and G2, each Access Beneficiary shall be entitled to reimbursement by HAL of 75% of all costs incurred by that Access Beneficiary in assessing any HAL Network Change proposed by HAL. Those costs shall be the minimum reasonably necessary for that Access Beneficiary to carry out that assessment.

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1.6 Further information regarding costs

Each Access Beneficiary shall, upon request from HAL from time to time, provide HAL with written estimates of the costs of assessing a proposal for HAL Network Change proposed by HAL (as referred to in Condition G1.5) including estimated costings of the work to be carried out and shall:

- (a) be entitled to require reasonable assurances of payment in respect of any material work to be carried out for the purposes of that evaluation before commencing such work; and
- (b) upon request from HAL from time to time, provide HAL with such information as may be reasonably necessary to enable HAL to assess the reasonableness of any estimate.

1.7 Accuracy of estimates

Each Access Beneficiary shall ensure that any estimates given by it are, so far as reasonably practicable, accurate on the basis of the information reasonably available to it.

1.8 Obligation to incur no further costs

An Access Beneficiary shall, if requested by HAL at any time, incur no further costs (except any costs which cannot reasonably be avoided) in respect of any proposal for HAL Network Change made by HAL.

1.9 Changes to the operation of the HAL infrastructure

In the case of a HAL Network Change within the meaning of paragraph (b) of that term's definition, HAL may commence implementing the procedure set out in this Part G and shall, upon notice being given by the relevant Access Beneficiary to HAL at any time after the expiry of the relevant period, promptly commence implementing and thereafter comply with that procedure as if that Change were a HAL Network Change proposed by HAL.

1.10 HAL Network Change for safety reasons

To the extent that a HAL Network Change within the meaning of paragraph (a) of that term's definition is required to be made by HAL for safety reasons, HAL shall not be obliged to implement the procedure set out in this Part G in relation to that Change until the Change has lasted for three months. Upon expiry of the relevant period, HAL shall promptly commence implementing and thereafter comply with the procedure set out in this Part G as if the relevant HAL Network Change were a HAL Network Change proposed by HAL.

Condition G2: Response by access beneficiary to HAL network change proposal

2.1 Obligation to give notice of response

2.1.1 The Access Beneficiary shall give notice to HAL if it considers that:

- (a) one or more of the following conditions has been satisfied:
 - (i) the implementation of the proposed Change would necessarily result in HAL breaching an access contract to which that Access Beneficiary is a party;
 - (ii) HAL has failed, in respect of the proposed Change, to provide sufficient particulars to that Access Beneficiary under Condition G1.2;

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- (iii) the implementation of the proposed Change would result in a material deterioration in the performance of that Access Beneficiary's trains which cannot adequately be compensated under this Condition G2 or (where that Access Beneficiary is a Train Operator) in respect of a Restriction of Use in connection with the implementation of the proposed Change under that Train Operator's Access Agreement; or
 - (iv) the proposed Change does not adequately take account of the reasonable expectations of the Access Beneficiary as to the future use of the relevant part of the HAL infrastructure; and/or
 - (b) it should be entitled to compensation from HAL for the consequences of the implementation of the Change either:
 - (i) in accordance with compensation terms proposed under Condition G1; or
 - (ii) on terms other than those proposed (if any) under Condition G1.
- 2.1.2 Any notice of the kind referred to in Condition G2.1.1(a) above shall include the reasons for the Access Beneficiary's opinion. Any notice of the kind mentioned in Condition G2.1.1(b)(ii) above shall include the reasons why the Access Beneficiary considers that any compensation terms proposed under Condition G1 are inappropriate and shall detail:
 - (a) the amount of compensation required and the methodology used to calculate the amount of compensation required; or
 - (b) if the Access Beneficiary is not reasonably able to provide details of the amount of compensation required, the methodology to be used to calculate the amount of compensation required; and in either case
 - (c) the means by which the compensation should be paid, including any security or other assurances of payment which HAL should provide.

The notice referred to above shall contain such detail as is reasonable to enable HAL to assess the merits of the Access Beneficiary's decision.

2.2 Amount of compensation

Subject to Condition G2.3 and Condition G2.4.1, the amount of the compensation referred to in Condition G2.1 shall be an amount equal to the amount of the costs, direct losses and expenses (including loss of revenue) which are reasonably incurred or can reasonably be expected to be incurred by the Access Beneficiary as a consequence of the implementation of the proposed Change.

2.3 Benefits to be taken into account

- 2.3.1 There shall be taken into account in determining the amount of compensation referred to in Condition G2.2:
 - (a) subject to Condition G2.4.2, the benefit (if any) to be obtained or likely in the future to be obtained by the Access Beneficiary as a consequence of the proposed HAL Network Change; and
 - (b) the ability or likely future ability of the Access Beneficiary to recoup any costs, losses and expenses from third parties including passengers and customers.

2.4 Restrictions of Use

- 2.4.1 The amount of the compensation referred to in Condition G2.2 shall exclude the amount of the costs, direct losses and expenses (including loss of revenue) which are reasonably incurred or can reasonably be expected to be incurred by the Train Operator as a consequence of any Restriction of Use in connection with the implementation of the proposed Change.

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- 2.4.2 The benefits taken into account in determining the amount of the compensation for the proposed Change under Condition G2.3 shall exclude the benefit (if any) to be obtained or likely in the future to be obtained by the Train Operator as a consequence of any Restriction of Use in connection with the implementation of the proposed Change (with that exclusion including any compensation payable to that Train Operator in respect of that Restriction of Use under its Access Agreement).

Condition G3: HAL Network change proposal by access beneficiary

3.1 Notice of proposal

- 3.1.1 An Access Beneficiary shall, if it wishes HAL to make a HAL Network Change:

- (a) submit to HAL a proposal for such Change; and
- (b) permit HAL to consult with:
 - (i) each Access Beneficiary that may be affected by the implementation of the proposed HAL Network Change;
 - (ii) Secretary of State, the ORR; and
 - (iii) Transport for London if it may be affected, by the implementation of the proposed HAL Network Change,

to the extent provided for under Condition G3.3.1(b), subject to such requirements as to confidentiality as are reasonable.

3.2 Content of Sponsor's notice of proposal

- 3.2.1 A notice of a proposed HAL Network Change given by the Sponsor under Condition G3.1 shall:

- (a) contain:
 - (i) the reasons why it is proposed to make the Change, including the effects it is intended or expected to have on the operation of the HAL infrastructure or on trains operated on the HAL infrastructure;
 - (ii) a specification of the works to be done (including a plan or plans showing where the work is to be done and the parts of the HAL infrastructure and associated railway assets likely to be affected);
 - (iii) the proposed times within which the works are to be done and when they are intended or expected to be begun and completed;
 - (iv) the Sponsor's proposals (if any) for the division of the costs of carrying out the Change including any proposals in relation to the calculation or payment of compensation to HAL or any Access Beneficiary in respect of the Change; and
 - (v) the additional terms and conditions (if any) which the Sponsor proposes should apply to the Change, including any Variation Procedure; and
- (b) be prepared to a standard, and in such detail, as is reasonably necessary, having due regard to the level of knowledge and expertise reasonably to be expected of the persons specified in Condition G3.1(b), to enable:
 - (i) HAL; and
 - (ii) any person specified in Condition G3.1(b),

to assess the likely effect of the proposed Change on its business and its performance of any obligations or exercise of any discretions which it has in relation to railway services.

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3.3 Evaluation of proposal and consultation

3.3.1 If HAL receives a proposal for HAL Network Change under Condition G3.1, it shall:

- (a) evaluate and discuss the proposal for Change with the Sponsor for such period as is reasonable having due regard to the likely impact of the proposed HAL Network Change on either or both of HAL and other operators of trains;
- (b) consult with each person specified in Condition G3.1(b) likely to be materially affected by the proposed Change to the extent reasonably necessary so as properly to inform them of the Change and to enable them to assess the consequences for them of the Change; and
- (c) for the purpose of the consultation under Condition G3.3.1(b), within 30 days of the date on which the Sponsor's notice under Condition G3.1 was given, give a notice to the persons specified in Condition G3.1(b), with a copy to the Sponsor, inviting them to submit comments by the Relevant Response Date and stating:
 - (i) the Relevant Response Date and the obligations of Access Parties under Conditions G3 and G4;
 - (ii) the reasons given by the Sponsor under Condition G3.2(a)(i) for proposing to make the Change;
 - (iii) HAL's estimate of the likely impact of the Change on the operation and performance of the infrastructure; and
 - (iv) HAL's own proposals as to:
 - (A) the arrangements for, and any proposed terms applicable to, the implementation of the Change;
 - (B) the specification of the works to be done (including a plan or plans showing where the work is to be done and the parts of the infrastructure and associated railway assets likely to be affected);
 - (C) the times within which the works are to be done and when they are intended or expected to be begun and completed;
 - (D) the division of the costs of carrying out the Change, including any proposals in relation to the calculation or payment of compensation to Access Beneficiaries in respect of the Change; and
 - (E) any additional terms and conditions which should apply to the Change, including any proposed Variation Procedure.

3.3.2 In preparing a notice under Condition G3.3.1(c), HAL:

- (a) shall comply with the standard specified in Condition G3.2(b); and
- (b) in respect of each of the matters specified in Condition G3.3.1(c)(iv):
 - (i) shall have regard to any relevant statements and proposals contained in the Sponsor's notice under Condition G3.1;
 - (ii) shall give reasons for any differences between those statements and proposals and its own proposals under Condition G3.3.1(c)(iv); and
 - (iii) may annex to its notice any proposal contained in the Sponsor's notice under Condition G3.1 with which it agrees, stating its agreement, and, where appropriate, that it has no proposals of its own on the matter concerned.

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3.4 Facilitation of HAL Network Change by HAL

3.4.1 Except in the circumstances and to the extent specified in Condition G3.4.2, HAL shall, when consulted by the Sponsor, take all reasonable steps to comply with any written request of the Sponsor to provide the Sponsor, within a reasonable period of time, and at no cost to the Sponsor, with:

- (a) a preliminary estimate of those costs, losses and expenses referred to in Condition G4.2 which may be incurred by HAL; and/or
- (b) a preliminary written response in respect of the proposed HAL Network Change, which shall:
 - (i) be binding on HAL, unless HAL indicates otherwise; and
 - (ii) if it is negative, include reasons.

3.4.2 HAL shall not be obliged to comply with a request from the Sponsor under Condition G3.4.1:

- (a) unless:
 - (i) the Relevant Response Date is 90 or more days after the date on which HAL's notice under Condition G3.3.1(c) was given; and
 - (ii) the request is made within 7 days of the Sponsor receiving HAL's notice under Condition G3.3.1(c); or
- (b) to the extent that HAL is unable to comply with such a request, having regard to the information reasonably available to it.

3.4.3 After consultation with the Sponsor and under Condition G3.3.1(b), HAL may notify a later Relevant Response Date to the Sponsor and the persons to whom it gave its notice under Condition G3.3.1(c).

3.5 Reimbursement of costs

Subject to Conditions G3.4 and G4, HAL shall be entitled to reimbursement by the Sponsor of 75% of all costs incurred by HAL in assessing any HAL Network Change proposed by the Sponsor. Those costs shall be the minimum reasonably necessary for HAL to carry out that assessment.

3.6 Provision of estimate of costs by HAL

3.6.1 HAL shall, upon request from the Sponsor from time to time, provide the Sponsor with written estimates of the costs of assessing a proposal for HAL Network Change submitted by the Sponsor (as referred to in Condition G3.5) including estimated costings of the work to be carried out and shall:

- (a) be entitled to require reasonable assurances of payment in respect of any material work to be carried out for the purposes of that assessment before commencing such work; and
- (b) upon request from the Sponsor from time to time provide the Sponsor or its agents with such information as may be reasonably necessary to enable the Sponsor to assess the reasonableness of any estimate.

3.7 Accuracy of estimates

HAL shall ensure that any estimates given by it are, so far as reasonably practicable, accurate on the basis of the information reasonably available to it.

3.8 Obligation to incur no further costs

HAL shall, if requested by the Sponsor at any time, incur no further costs (except any costs that cannot reasonably be avoided) in respect of any proposal for HAL Network Change made by the Sponsor.

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3.9 Relationship with Vehicle Change

If the implementation of a HAL Network Change proposed by the Sponsor also requires the implementation of a Vehicle Change in respect of the trains operated by the Sponsor, the Sponsor shall follow the procedures and satisfy the requirements of both this Part G and Part F and the requirement for a Vehicle Change shall not preclude the right of the Sponsor to follow the procedure in this Part G for a HAL Network Change or vice versa.

Condition G4: Response by HAL to HAL Network Change Proposal

4.1 Obligation to give notice of response

4.1.1 HAL shall give notice to the Sponsor if:

- (a) it considers that one or more of the following conditions has been satisfied:
 - (i) the implementation of the proposed Change would necessarily result in HAL breaching any access contract (other than an access contract to which the Sponsor is a party);
 - (ii) the Sponsor has failed in a material respect to comply with its obligations under Condition G3.2 provided that HAL shall first have given the Sponsor a reasonable opportunity to remedy that failure;
 - (iii) the implementation of the proposed Change would result in a material adverse effect on the maintenance or operation of the infrastructure or the operation of any train on the HAL infrastructure which in any such case cannot adequately be compensated under this Condition G4 or in respect of a Restriction of Use in connection with the implementation of the proposed Change under the relevant Train Operator's Access Agreement; or
 - (iv) the proposed Change does not adequately take account of the reasonable expectations of an Access Party (other than the Sponsor) as to the future use of the relevant part of the HAL infrastructure;
- (b) any Access Beneficiary shall have given notice to HAL that it considers that any of the conditions specified in paragraph (a) above has been satisfied;
- (c) it considers that it should be entitled to compensation from the Sponsor for the consequences of the implementation of the Change either:
 - (i) in accordance with compensation terms proposed under Condition G3; or
 - (ii) on terms other than those proposed (if any) under Condition G3; and/or
- (d) any Access Beneficiary shall have given notice to HAL that it considers that it should be entitled to compensation from the Sponsor for the consequences of the implementation of the Change either:
 - (i) in accordance with compensation terms proposed under Condition G3; or
 - (ii) on terms other than those proposed (if any) under Condition G3.

4.1.2 Any notice of the kind referred to in Conditions G4.1.1(a) and (b) above shall include the reasons for the opinion in question. Any notice of the kind mentioned in Conditions G4.1.1(c)(ii) and (d)(ii) above shall include the reasons why HAL or the relevant Access Beneficiary considers that any compensation terms proposed under Condition G3 are inappropriate and shall detail:

- (a) the amount of compensation required and the methodology used to calculate the amount of compensation required; or

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- (b) if HAL or the relevant Access Beneficiary is not reasonably able to provide details of the amount of compensation required, the methodology to be used to calculate the amount of compensation required; and in either case
- (c) the means by which the compensation should be paid, including any security or other assurances of payment which the Sponsor should provide.

The notice referred to above shall contain such detail as is reasonable to enable the Sponsor to assess the merits of HAL or the relevant Access Beneficiary's decision.

4.2 Amount of compensation

Subject to Condition G4.3, the aggregate of the amount of the compensation referred to in Condition G4.1 shall be:

- (a) subject to Condition G4.4.1 an amount equal to the amount of the costs, direct losses and expenses (including loss of revenue) which are reasonably incurred or can reasonably be expected to be incurred by HAL or the relevant Access Beneficiary in question as a consequence of the implementation of the proposed Change other than any such costs, losses or expenses which are attributable to the Sponsor improving its ability to compete with other operators of railway assets; and
- (b) an amount equal to the amount of costs, direct losses or expenses (including loss of revenue) which are reasonably incurred or can reasonably be expected to be incurred by HAL as consequence of implementing a HAL Network Change including the recovery of any payments made by HAL to the relevant Train Operator under that Train Operator's Access Agreement for the relevant Restriction(s) of Use.

4.3 Benefits to be taken into account

There shall be taken into account in determining the amount of compensation referred to in Condition G4.2:

- (a) subject to Condition G4.4.2 the benefit (if any) to be obtained or likely in the future to be obtained by HAL or the relevant Access Beneficiary as a consequence of the implementation of the proposed Change; and
- (b) the ability or likely future ability of HAL or the relevant Access Beneficiary to recoup any costs, losses and expenses from third parties including passengers and customers.

4.4 Restrictions of Use

- 4.4.1 The amount of the compensation referred to in Condition G4.2 shall in respect of any Train Operator exclude the amount of the costs, direct losses and expenses (including loss of revenue) which are reasonably incurred or can reasonably be expected to be incurred by that Train Operator as a consequence of any Restriction of Use in connection with the implementation of the proposed Change.
- 4.4.2 The benefits taken into account in determining the amount of the compensation for the proposed Change under Condition G4.3 shall in respect of any Train Operator exclude the benefit (if any) to be obtained or likely in the future to be obtained by that Train Operator as a consequence of any Restriction of Use in connection with the implementation of the proposed Change (with that exclusion including any compensation payable to that Train Operator in respect of that Restriction of Use under its Access Agreement).

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Condition G5: Short Term HAL Network Change

5.1 Reversal of a Short Term HAL Network Change

- 5.1.1 An Access Beneficiary may request in writing that HAL reverse the effect of a Short Term HAL Network Change before its Expiry Date if the effect of the Short Term HAL Network Change would prevent the Access Beneficiary using the infrastructure in a manner consistent with the reasonable expectations of that Access Beneficiary as to the future use of the relevant part of the infrastructure.
- 5.1.2 The Access Beneficiary shall include with any notice requesting the reversal of the effect of a Short Term HAL Network Change served under Condition G5.1.1 evidence to support the Access Beneficiary's claim of reasonable expectations as to the future use of the relevant part of the HAL infrastructure which requires that reversal.
- 5.1.3 The Access Beneficiary shall provide HAL with such further information as HAL may reasonably require to enable HAL to assess the reasonableness of the Access Beneficiary's request to reverse the effect of a Short Term HAL Network Change.
- 5.1.4 Upon receipt of a notice to reverse the effect of a Short Term HAL Network Change served under Condition G5.1.1, HAL shall:
 - (a) reverse the effect of the Short Term HAL Network Change at its own cost by the later of the following:
 - (i) the earlier of:
 - (A) the estimated timescale for reversal set out in the notice of proposed HAL Network Change served under Condition G1.1; and
 - (B) the timescale within which HAL can complete the reversal without incurring any greater cost than would have reasonably been incurred by HAL had the effect of the Short Term HAL Network Change been reversed in accordance with the estimated timescale for reversal set out in the notice of proposed HAL Network Change served under Condition G1.1; or
 - (ii) the earliest use for which the Access Beneficiary can demonstrate a reasonable expectation as to future use; or
 - (b) respond to the Access Beneficiary in writing within 30 days stating that HAL does not believe that the effect of the Short Term HAL Network Change is preventing the Access Beneficiary using the HAL infrastructure in accordance with the reasonable expectations of that Access Beneficiary as to the future use of the relevant part of the HAL infrastructure and giving reasons for its decision.

HAL shall not be liable to any Access Beneficiary if and to the extent that the date of the requested reversal is earlier than the date by which HAL must reverse the effect of the Short Term HAL Network Change as calculated under Condition G5.1.4(a).

5.2 Expiry of a Short Term HAL Network Change

- 5.2.1 HAL shall restore at its own cost any part of the HAL infrastructure which has been subject to a Short Term HAL Network Change to its original capability as set out in the notice of proposal for the Short Term HAL Network Change by the Expiry Date unless and to the extent that:
 - (a) a HAL Network Change has been implemented in place of the Short Term HAL Network Change; or
 - (b) a further Short Term HAL Network Change has been implemented.

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5.3 Notification of reversal of a Short Term HAL Network Change prior to the Expiry Date

HAL shall publish details of each Short Term HAL Network Change which is reversed prior to the Expiry Date.

Condition G6: Changes imposed by competent authorities

- 6.1 Where HAL is required (other than at its own request or instigation) to implement a HAL Network Change as a result of any Change of Law or any Direction of any Competent Authority other than the ORR exercising any of its functions which do not fall within the definition of 'safety functions' as defined in section 4 of the Act:
- (a) HAL shall, except to the extent that the relevant Change of Law or Direction otherwise requires, comply with Conditions G1.1 and G1.2 in respect of that HAL Network Change;
 - (b) each Access Beneficiary shall make such alterations (if any) to its railway vehicles and its Services as are reasonably necessary to accommodate that HAL Network Change and shall, except to the extent that the relevant Change of Law or Direction otherwise requires, comply with Conditions F2.1, F2.2 and F2.3 (other than Condition F2.2(a)(vi));
 - (c) subject to Condition G9(d), each Access Party shall bear its own costs or losses arising out of the implementation of the HAL Network Change or the consequences thereof;
 - (d) where HAL recovers compensation in respect of that HAL Network Change from a Competent Authority or some other Governmental Body, it shall pay to Access Beneficiaries:
 - (i) where any compensation paid to HAL in relation to that HAL Network Change is sufficient to cover the Relevant Costs of the Access Beneficiary and of HAL, the Relevant Costs of the Access Beneficiary; and
 - (ii) where such compensation is not so sufficient, such proportion of that compensation as the Access Beneficiary's Relevant Costs bears to the sum of HAL's Relevant Costs and all the Access Beneficiary's Relevant Costs in respect of that HAL Network Change; and
 - (e) HAL shall use reasonable endeavours to negotiate with the relevant Competent Authority or Governmental Body (as applicable) a level of compensation in respect of that HAL Network Change which is sufficient to ensure that the Access Beneficiary receives compensation for all of its Relevant Costs. HAL shall from time to time consult with the Access Beneficiary and keep the Access Beneficiary informed in reasonable detail of the progress of such negotiations.

Condition G7: Establishment and implementation

7.1 Implementation of a HAL proposed HAL Network Change

7.1.1 HAL shall be entitled to implement a proposed HAL Network Change if:

- (a) it has not received a notice from any Access Beneficiary under Condition G2.1 by the Relevant Response Date; or
- (b) it has received notice by the Relevant Response Date from an Access Beneficiary under Condition G2.1(c) and either the amount of any compensation referred to in Condition G2.1 has been agreed, or resolved, or the method by which such compensation is to be calculated has been agreed or resolved under Condition G8; and
- (c) there is no other unresolved dispute under this Part G (whether under this Condition G10 or otherwise) as regards the proposed Change between HAL and any affected Access Beneficiary.