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OFFICE OF RAIL REGULATION

12 July 2010

Paul Chapman
Managing Director
HS1 Limited
73 Collier Street
London
N1 9BE

Dear Mr Chapman

Approval of the Proposal for Change for the implementation of the HS1 Access Dispute Resolution Rules ("HS1 ADRR") and related changes to the HS1 Access Documentation

1. The Office of Rail Regulation has today approved the above Proposal for Change ("HS1/PfC 1") for the implementation of the HS1 ADRR, and related changes to the HS1 Network Code, the HS1 Passenger Access Terms, and the HS1 Railway Systems Code, which was submitted by HS1 Limited on 23 June 2010.
2. This proposal implements a new disputes resolution process, as contained within the HS1 ADRR, and a number of related amendments to the HS1 Network Code, the HS1 Passenger Access Terms, and the HS1 Railway Systems Code ("HS1 Access Documentation"). The key points are:

HS1 ADRR,

- a) the introduction of a disputes allocation process, involving an Allocation Chair, who will help facilitate an agreement with the parties about the forum of the dispute;
- b) HS1 Limited will contract the Access Disputes Committee ("ADC") secretariat to provide certain dispute resolution service to the parties;
- c) the dispute resolution process will fall into two types, "facilitative" and "determinative". The two facilitative processes are mediation and early neutral evaluation. The four determinative processes are Access Disputes Adjudication "ADA"; TTP; Arbitration and Expert Determination;
- d) the delivery of the dispute resolution process will be funded by potential users of the service in accordance with the provisions of existing Access Contracts; and



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- e) the ORR's role - issues or matters of a regulatory nature and/or matters of wider industry concern may be referred to ORR, either by the Parties jointly, by the Allocation Chair, or by the relevant Forum. The purpose of a reference to ORR is to obtain answers to issues of general application to the industry, in respect of which ORR has relevant information or knowledge. Referral of issues to ORR will be available at all stages of the dispute resolution process. We will also receive appeals as the final appeal body under Parts D and J of the HS1 Network Code.

HS1 Access Documentation,

- a) the addition, removal and correction of references in the HS1 Network Code, the HS1 Passenger Access Terms, and the HS1 Railway Systems Code to the new processes outlined in the HS1 ADRR.
3. ORR has considered and commented on the new process and subsequent amendments at all stages. ORR has reviewed the consultation responses received by HS1 Limited.
4. In accordance with Condition C2.3.2 of the HS1 Network Code, ORR has approved the proposal because it is satisfied that the changes implement a clearer and more efficient dispute resolution process. The approval is consistent with ORR's section 4 duties, and does not unfairly prejudice the interests of any relevant person or persons.
5. In accordance with Condition C2.5 of the HS1 Network Code, the HS1 ADRR and changes to the HS1 Access Documentation shall have effect on the earlier of:
- a) the Principal Change Date in December 2010; and
 - b) the date on which each of the following matters have come into force in accordance with their terms:
 - i. the amendment of the HS1 Station Access Conditions to reflect the introduction of the HS1 ADRR;
 - ii. the amendment of the Disputes Resolution Agreement between the Secretary of State for Transport, HS1 Limited, Network Rail Infrastructure Limited, and others to reflect the introduction of the HS1 ADRR; and
 - iii. the completion of arrangements by the ADC for the implementation of the dispute resolution process for the national rail network, in order to provide certain dispute resolution services as outlined in the HS1 ADRR.
6. In giving this notice of approval, HS1 Limited shall ensure that all Train Operators are notified of the change and its effective date, in accordance with Condition C2.4.

7. A copy of this letter, the approval notice and the proposals will be placed on the ORR website.

Yours sincerely
Brian Kogan

Brian Kogan

12 July 2010

**NOTICE OF APPROVAL FOR THE IMPLEMENTATION OF THE HS1
ACCESS DISPUTE RESOLUTION RULES ("HS1 ADRR") AND RELATED
CHANGES TO THE HS1 ACCESS DOCUMENTATION**

1. This notice is given under Condition C2.3.1 of the HS1 Network Code. Terms defined in the HS1 Network Code have the same meaning in this notice. References in this notice to Conditions are references to Conditions of the HS1 Network Code.
2. HS1 Limited submitted the Proposal for Change (HS1/PfC 1) under Condition C2.1 on 23 June 2010. HS1 Limited has also submitted a written memorandum explaining the reasons for the proposed changes and details of the result of the consultation process as required by Condition C2.1.
3. HS1 Limited has informed me that consultees support the Proposal for Change.
4. ORR now gives notice to HS1 Limited that it approves the Proposal for Change for the purpose of Condition C2.3.1.
5. A copy of the Proposal for Change is attached to this notice.

Brian Kogan

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Deputy Director, Railway Markets & Economics

