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13 September 2012

Dear Andrew

Rail Delivery group - Consultation on the Rail Delivery Group - Response of Freightliner Group

We are writing to you in response to the consultation issued by the Office of Rail Regulation (ORR) concerning the formalisation of the Rail Delivery Group (RDG). This is the formal response of Freightliner Group (Freightliner) - representing Freightliner Limited (FLL) and Freightliner Heavy Haul Limited (FLHH).

Freightliner welcomes the opportunity to respond to this consultation and is happy to engage further with the ORR, should additional information be required.

Question 1 - Please comment on whether you consider that the purpose of RDG will drive the changes and improvements envisaged by the McNulty study.

Freightliner supports the purpose and role of the RDG as described in the consultation document. Prior to the formation of the RDG there has been a lack of joined up leadership within the industry and in particular for freight operators there was no previous conduit to engage at a senior level with other operators.

As a minimum the formalisation will ensure that operators and Network Rail engage at a senior level and deal collectively with the key issues facing the industry. We would expect that the role of the RDG will develop and mature over time and lead to the reduction in detailed management of the industry by government.

Question 2 - Are you content with the proposed structure of the RDG board, particularly in terms of scope of representation and the criteria for membership?

We are content with the proposed membership structure of the Board with participation from those companies best placed to influence the efficient delivery of rail services and the structure provides for leadership members to join and leave the Group in accordance with transparent membership criteria.

Freightliner supports the proposed mechanism for protecting freight operator membership of the RDG board. It is essential that freight members are included within the RDG to ensure that the needs of rail freight are considered by the RDG, alongside the more dominant passenger requirements. Freight is part of the rail industry but in effect operates in the logistics sector competing against road and with its volume of operation being driven purely by the market. The benefits of moving freight by rail sit outside the railway balance sheet and it is therefore easy for these to be overlooked in favour of passenger operator requirements which are contracted by government.

One area of clarity we suggest is with the proposal in paragraph 2.19 to use projected turnover as a measure to determine the membership of the RDG of a new owning group. The proposed mechanism is subjective and needs to be more tightly defined, e.g. projected over what time scale and on what basis and what happens if the projection is not achieved.

Freightliner supports the suggestion in paragraph 2.20 that membership should remain with the 2 largest freight operator groups irrespective of turnover, as this is a simple measure.

Question 3 - Please comment on how you consider RDG could best engage with licensed and associate members.

Formalising the RDG will place greater obligations on it to be transparent about its activities and to communicate within and beyond the rail industry. Wherever practical, relevant documents and decisions should be published on the RDG website.

Licensed and associate members will have an essential role to play in developing and disseminating the ideas, plans and actions emerging from the RDG's working groups and should be involved in cross-industry groups where necessary.

Question 4 - (for licensed train operators and Network Rail) - in view of these proposals would you be content to agree to the introduction of the new condition at Annex B into your licence? If not, what changes would you wish to see which would allow you to provide that agreement?

Freightliner is content for the ORR to propose the licence modification at Annex B.

Question 5 - Will the proposed voting and quorum arrangements provide you with assurance that decisions taken by RDG will have sufficient cross-industry support to justify implementation?

We are content that the voting and quorum arrangements proposed will ensure that cross-industry support is needed to ensure strategy and policy implementation and these proposals give us the requisite level of assurance. It will be important for the reputation of the RDG and its members that there is wider consensus over decisions made or the authority of the RDG will become undermined. It will therefore become incumbent on the members of RDG to ensure that there is wider engagement and agreement on the direction of travel and key decisions of the RDG.

Question 6 - Are there any specific commercial protections that you consider will need to be included in the competition compliance document?

Freightliner has no specific concerns in this area so long as the RDG recognises the importance of compliance with competition laws.

Question 7 - Please comment on whether you consider these funding arrangements to be appropriate.

We believe that the funding arrangements are appropriate; they are administratively simple and transparent.

Yours sincerely



Lindsay Durham
Head of Rail Strategy
Freightliner Group Limited