Dear Mike and Nigel

DB Cargo (UK) Limited: Eighth Supplemental Agreement

1. On 8 January 2018 the Office of Rail and Road (ORR) approved the 8th Supplemental Agreement (SA) to the track access contract (TAC) between Network Rail Infrastructure Limited (Network Rail) and DB Cargo (UK) Limited (DBC) under section 22 of the Railways Act 1993 (the Act). The agreement was formally submitted to us on 3 January 2018. This letter sets out the reasons for our decision.

Background

2. The purpose of the SA is to make changes to Schedule 5 of the TAC. The changes are to update Service Groups 3602, 4063 and 4064 in the Rights Table to match the May 2017 timetable by:
   - adding 16 firm rights with one hour windows;
   - amending 14 firm rights;
   - relinquishing 10 firm rights with one hour windows; and
   - relinquishing 4 firm rights with 24 hour windows.

Consultation

3. In line with the industry code of practice for track access application consultations¹, Network Rail conducted a consultation of potentially affected operators and other interested parties. This ran from 6 July to 4 August 2017. There were no unresolved issues declared.

ORR review

4. We received an informal submission from the parties on 16 November 2017. We note that seven of the new firm rights affecting the Wales Route in Service Group 3602 are time limited to October 2018. Network Rail's position is that as the Wales and Borders franchise is due to start in 2018 and the new concession may result in it no longer

being Asset Steward for this infrastructure, it is only willing to support these rights up to this date.

5. The parties explained that one hour windows were appropriate for the new rights in this instance as they are needed for efficient resource planning and to maintain terminal times. They match paths already used by DBC in the Working Timetable.

**ORR decision**

6. This application is under section 22 of the Act and therefore is agreed between the parties, who are prepared to enter into the agreement as submitted.

7. In making this decision, we are satisfied that this decision reflects our duties under section 4 of the Act, in particular:

   (i) to protect the interests of users of railway assets;

   (ii) to promote improvements in railway service performance;

   (iii) to promote the use of railway network in Great Britain for the carriage of passengers and goods and the development of that railway network, to the greatest extent economically practicable;

   (iv) to promote efficiency and economy on the part of the persons providing railway services; and

   (v) to enable persons providing railway services to plan the future of their businesses with a reasonable degree of assurance.

8. Under clause 18.2.4 of the TAC, Network Rail is required to produce a conformed copy, within 28 days of any amendment being made, and send copies to ORR and DBC. I look forward to receiving the conformed copy.

9. In accordance with section 72 of the Act, we will place a copy of the 8th SA on our public register.

Yours sincerely

Margret Child