



POTTER GROUP  
LOGISTICS

Our Ref: CDP/svm

7<sup>th</sup> August 2012

Ms Anna Walker  
Chair ORR Board  
Office of Rail Regulation  
Head Office  
One Kemble Street  
London  
WC2B 4AN

Dear Ms Walker

### **Rail Freight Charging Consultation**

Potter Group Logistics is a multimodal logistics service provider, offering warehousing and distribution through its road and rail connected distribution centres and as such we are concerned to see the Government spending so much time and money in analysing 11% of the Freight Market. We believe that this is not a positive message to put forward at this time as it creates uncertainty and does not encourage industry to use or invest in rail freight.

We list below details of various points under consideration which concern us

- Variable Usage Charge – general charge to freight
- Additional freight specific charges – where the commodity is seen as captive to rail:
  - to apply initially to ESI Coal, Spent Nuclear Fuel, Iron Ore
  - possibly to Biomass
  - not to other traffics (this time)
- Geographic disaggregation of charging – possible different charges for the different NR regions of the UK to replace one GB charge

Our key concerns are:

- Potential increases in freight track access charges
- Increased complexity and administration: existing system x 10 NR routes
- ORR pursuing cost recovery in sectors that can bear it (i.e. are captive to rail)
- Fear for currently unaffected sectors that at next five year review they will be hit
- Blight on rail freight private investment and modal shift



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We feel strongly that complexity should not be introduced in any future charges. They need to remain simple and cover all aspects of freight thus making it easier for more freight to go on rail and therefore enable operators to push for volume increases over the next five year period.

May we suggest that you adopt an alternative solution; increasing efficiency and reducing costs? This would mirror the whole logistics sector at the present time and would create a much more positive approach to the future.

Yours sincerely

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