

James Hickman Access & International Executive

30 January 2024

Gary Davies Knight Track Access Manager Seilwaith Amey Cymru / Amey Infrastructure Wales Limited Transport for Wales Infrastructure Hub Trefforest Industrial Estate Pontypridd CF37 5UT Phil Allison HSEQ Manager RailAdventure UK Limited 111 Edmund Street Birmingham England

Dear Gary and Phil

# Directions in respect of a track access contract (freight services) between Seilwaith Amey Cymru / Amey Infrastructure Wales Limited (SAC) and RailAdventure UK Limited (RailAdventure)

- 1. The Office of Rail and Road (ORR) has issued directions under section 18 of the Railways Act 1993 (the Act) to SAC to enter into a track access contract (TAC) with RailAdventure (jointly, the Parties). This letter explains the reasons for our decision.
- 2. The Parties originally submitted a proposed new TAC on 4 January 2024. Following our initial comments, a revised draft was submitted on 22 January 2024 and our directions refer to that version of the draft contract.

## Background

- 3. The purpose of the TAC is to provide RailAdventure access to operate freight services on the Core Valley Lines Network (CVL), in particular to facilitate the delivery of new rolling stock from other locations. The TAC does not contain firm or contingent rights.
- 4. In 2019 ORR approved contracts for Freightliner Ltd, Freightliner Heavy Haul Ltd, DB Cargo Ltd and GB Railfreight Ltd (together the FOCs) to operate freight services on CVL. Those contracts were amended by supplemental agreements dated 29 January 2021, which reflected changes to the contractual matrix within the Wales and Borders franchise. The TAC between SAC and RailAdventure is on equivalent terms as the other FOCs' current CVL contracts.



#### Industry consultation

5. SAC undertook a pre-application industry consultation between 23 November 2023 and 23 December 2023. No objections or issues were declared in the application submitted to us. In response to our scrutiny, SAC corrected an oversight in omitting GBRf from the consultation and indeed GBRf offered helpful drafting comments on the Form F.

#### **ORR** review

- 6. In the initial agreement submitted to us the Parties had inserted the date of 28 November 2023 at various places in the proposed contract. As that date pre-dated the application to us, we queried this and the expiry date. The Parties submitted a revised TAC on 22 January 2024, using the date of 1 February 2024. It seems the Parties intend that the contract (other than clause 5) will take effect on 1 February 2024, and we anticipate the parties will want to sign the contract on or about that date.
- 7. The Parties confirmed that references to the Traction Electricity Rules (as in some access contracts) were not needed. They also updated the reference to the registered office address of Network Rail Infrastructure Limited in the revised application.
- 8. We noted that the proposed contract contained a definition of 'Line of Sight Operation' which was not used in the contract and did not appear to be necessary. After consulting with the Parties, we have directed that it is removed from the contract under section 18(7) the Act. Our directions also require certain modifications rectifying minor drafting points.
- 9. Finally, we noted that the proposed contract requires SAC to adjust the track charges from 1 April 2024 (as do the other contracts with the FOCs). SAC has explained how it will address the matter.

### Our duties under section 4 and our decision

- 10. This application is under section 18 of the Act and therefore is agreed between the Parties, subject to the modifications described above. There are no other outstanding issues.
- 11. In making this decision, we are satisfied that this decision reflects our duties under section 4 of the Act, in particular:
  - a. to protect the interests of users of railway assets;
  - 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;
  - c. to promote efficiency and economy on the part of the persons providing railway services; and



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

#### Public register and administration

- 12. Once the TAC is signed, in accordance with section 72(5) of the Act, you must send a copy to us within 14 days. A copy of the directions and the signed TAC will be placed on our public register. Copies will also be placed on our website alongside this letter.
- 13. In entering any provision on the register, we are required to have regard to the need to exclude, as far as is practicable, the matters specified in section 71(2)(a) and (b) of the Act. These sections refer to:
  - a. any matter which relates to the affairs of an individual, where publication of that matter would or might, in the opinion of ORR, seriously and prejudicially affect the interests of that individual; and
  - b. any matter which relates to the affairs of a particular body of persons, whether corporate or incorporate, where publication of that matter would or might, in the opinion of ORR, seriously and prejudicially affect the interests of that body.
- 14. When submitting the copy of the signed agreement would you therefore please identify any matters which you would like us to consider redacting before publication. You will need to give reasons for each request explaining why you consider that publication would seriously and prejudicially affect your interests.

Yours sincerely James Hickman