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OFFICE OF **RAIL REGULATION**

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Dear Colleague

### **Rail Surface Damage – Freight Vehicle Effects**

1. As part of the 2005 structure of costs and charges review we examined the possibility of including a rail surface damage term (to cover rolling contact fatigue and rail wear effects) in the variable usage charge. The work undertaken by TTCI (UK) Ltd and Booz Allen Hamilton is described in their report<sup>1</sup>. In our final conclusions document of the review<sup>2</sup> we announced that we would undertake further work on the effects of freight traffic on rail surface damage, given that the work undertaken by TTCI and Booz Allen focused mainly on passenger vehicle effects.
2. TTCI (UK) Ltd have now completed a further study and we are publishing their report on our website today alongside this letter (<http://www.rail-reg.gov.uk/server/show/nav.180>). The report highlights that a significant level of detail of vehicle and infrastructure characteristics is needed to accurately attribute these costs between vehicles. Careful consideration therefore has to be given to the practicality of implementing this as a component in the vehicle specific variable usage charges. We would welcome any comments on this report by 14 September 2006, so that we can take your views into account as part of the structure of costs and charges work being undertaken as part of the 2008 periodic review. Please reply to:

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Yours faithfully

A handwritten signature in black ink that reads 'P McMahon'.

**Paul McMahon**

<sup>1</sup> [http://www.rail-reg.gov.uk/upload/pdf/bah\\_elecreport\\_fin.pdf](http://www.rail-reg.gov.uk/upload/pdf/bah_elecreport_fin.pdf)  
<sup>2</sup> <http://www.rail-reg.gov.uk/upload/pdf/256.pdf>



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