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Cc: Sam Spence, EIL
Robert Mills, ORR

Our reference: EIL RESPOSNE 270614_ ORR_160514 Consultation_CP5 capacity charge_new OAO

27 June 2014

Dear Alex

Eurostar International Limited response to ORR Consultation on implementation of CP5 capacity charge for new open access operators

With reference to the email you sent Eurostar on 22 May 2014 regarding Consultation on implementation of CP5 capacity charge for new open access operators, this letter constitutes Eurostar International Limited's (EIL) formal response to the invitation for consultation.

Thank you for the very useful telephone conversation we had with you and Robert on Thursday 12 June 2014. Based on our discussion we have taken the opportunity to respond to the consultation accordingly.

Paragraph 7 of your consultation letter refers to new OAOs having an equivalent threshold to that of Hull Trains as Hull Trains were deemed to be the smaller of the two main existing OAO's at the time of writing, i.e. 30 September 2013 consultation letter, and that new entrant OAOs will pay CP4 rates for services below this Hull Trains threshold and CP5 rates for services above the Hull Trains threshold.

However, as we pointed out last week, the subsequent implementation of CP5 required Eurostar to move from a bespoke access charging regime used in CP4 and this change resulted in the calculation of capacity charge thresholds for Eurostar in CP5 which we had not been party to before CP5. I believe that this change means that, at this time of writing, Eurostar thresholds may be smaller than those of Hull Trains and so Hull Trains may not now be the smaller of the existing OAOs?

Assuming that the Hull Trains thresholds are larger than those of Eurostar International, then this proposal could bring the possibility of providing an unfair advantage to any possible new entrant OAO using the same routes as Eurostar on NRIL as they could be entitled to much larger thresholds than that currently afforded to EIL.

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As such we would propose that your current proposal is reviewed please and due consideration given to current OAOs with a threshold lower than the equivalent threshold of Hull Trains being aligned to the same level as Hull Trains to ensure that any future international passenger service operator is charged on an equivalent basis so as to offer fair competition?

We wonder if another possibility to address this is the establishment of an International Passenger OAO threshold? We would be happy to discuss this further with you of course.

Also, as we brought to your attention, please would you amend your list of addresses contained in Annex D of your consultation letter to include Eurostar International Ltd for all future correspondence?

Many thanks

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S. Carter', with a stylized flourish at the end.

Steve Carter
Head of Performance and Planning

Email: steve.carter@eurostar.com