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Nigel Oatway
Access Manager

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24 January 2014

Dear Rachel,

**PROPOSED TRACK ACCESS CONTRACT BETWEEN NETWORK RAIL
INFRASTRUCTURE LIMITED AND GREAT NORTH EASTERN RAILWAY COMPANY
LIMITED**

Thank you for your e-mail dated 13 December 2013 inviting the comments of DB Schenker Rail (UK) Limited ('DB Schenker') on the above matter.

DB Schenker understands that the access rights included in the proposed agreement are intended to support the provision of an hourly high-speed passenger service between London Kings Cross and Edinburgh which is planned to commence in December 2016.

DB Schenker notes that the proposed contract is to be submitted by GNER to ORR pursuant to Section 17 of the Railways Act 1993 because the application is not supported by Network Rail. However, it is far from clear in section 3.2 of Form P as to the extent of the differences between the parties and the key reasons for those differences although some of them can be presumed from the other information contained in the application (e.g. capacity availability, funding/delivery of infrastructure enhancements and challenging maximum journey time protection). DB Schenker also notes that the application is dependent upon GNER being granted a passenger licence and safety certificate by ORR as well as completing the procurement, construction and delivery of new rolling stock to meet the required service specification.

Notwithstanding that all of these key issues are yet to be resolved, in order for DB Schenker to signify its consent to the proposals, it will need to be assured that the proposed additional trains and the manner of their operation do not adversely impact on either its own services or on route capacity such that it becomes ossified so that the future growth in freight services could not be accommodated.

Unfortunately, the information provided in the application is nowhere near detailed enough to enable DB Schenker to assess fully the proposals with these concerns in mind. For such an assessment to be undertaken, DB Schenker would need to be supplied with relevant detailed timetable modelling showing the new services as well as all other services on the ECML expected to be in operation in December 2016.

DB Schenker understands that the proposed services are being taken account of by Network Rail in the development of its ECML Indicative Train Service Specification ("ITSS") for December 2020 but the ITSS has not yet been scoped or defined for December 2016 or 2018. Consequently, DB Schenker assumes that the reason no detailed timetabling information has been included in the application is because it does not currently exist and that the availability of sufficient capacity to accommodate the proposed services remains an expectation rather than a fact that has been demonstrated.

In summary, therefore, given the significant uncertainty over the proposals in timetabling terms as far as DB Schenker is concerned, it cannot even begin to assess with any degree of certainty or assurance the effects of the proposals on its services or its future business in terms of freight growth on the ECML. Although DB Schenker understands why this uncertainty remains, because GNER is seeking the approval of rights for its proposed services now, DB Schenker has to set out its position based on the information that it has been presented with. As indicated above, given that that information is inadequate, DB Schenker is unfortunately not in a position to signify its consent to the proposals at this time.

Yours sincerely,

Nigel Oatway
Access Manager

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