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Executive, Access and Licensing
Railway Markets and Economics

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Jules Graham
Customer Relationship Manager
Network Rail Infrastructure Ltd
One Eversholt Street
London
NW1 2DN

Chris Connelly
Chief Operating Officer
DRS Ltd
Regents Court
Baron Way
Carlisle
CA46 4SJ

Dear Jules and Chris,

Directions relating to the track access contract between Network Rail Infrastructure Limited and Direct Rail Services Limited

1. On 22 November 2019 the Office of Rail and Road (**ORR**) approved the proposed track access contract (**TAC**) between Network Rail Infrastructure Limited (**Network Rail**) and Direct Rail Services Limited (**DRS**) under section 18 of the Railways Act 1993 (**the Act**), submitted to us on 30 October 2019. This letter sets out the reasons for our decision.

Background

2. The proposed TAC is to take effect on the expiry of DRS's current TAC on 15 December 2019 to run until PCD 2026. The TAC allows DRS to operate freight services on Network Rail's network.

Consultation

3. There was an industry consultation for the proposed TAC from 10 September to 10 October 2019. There are no outstanding concerns following closure of the consultation period.

ORR Review

4. The application was originally made on 30 October. On 19 November Network Rail submitted a revised TAC to reflect ORR's CP6 model contract. On 22 November DRS confirmed that it supported this revised application.
5. We have reviewed the TAC and there are two clauses which differ to the model contract at paragraphs 5.3 and 18.9. These changes have been made due to the claim's procedure in place with the Nuclear Decommissioning Authority and the previous wording which did not align to this procedure hence the changes agreed in the new TAC. These clauses are specific to the DRS TAC, have been agreed by the parties and raise no issues for ORR. Network Rail explained that the Rights Table reflects existing traffic.
6. The duration of the contract is seven years, this is longer than the five years associated with the model contract. The parties have justified this longer duration to reflect DRS's type of business and its existing long-term contracts. It means the

expiry date will match that already in place for other major FOCs. There were no objections at consultation. ORR therefore agrees to this longer duration.

ORR Decision

7. This is an application under section 18 of the Act and therefore an agreed agreement between the parties who are prepared to enter into it as submitted.
8. In making this decision, we are satisfied that this decision reflects our duties under section 4 of the Act, in particular:
 - (i) to protect the interests of users of railway assets;
 - (ii) 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;
 - (iii) to promote efficiency and economy on the part of the persons providing railway services; and
 - (iv) to enable persons providing railway services to plan the future of their businesses with a reasonable degree of assurance.

Public Register

9. Once the agreement is signed, in accordance with section 72(5) of the Act, you must send a copy to ORR within 28 days and in accordance with section 72(2)(b)(iii), a copy will be placed on our public register and website.
10. In entering any provision on the register, ORR is 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 the 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 the ORR, seriously and prejudicially affect the interests of that body.
11. When submitting the copy of the signed agreement would you therefore please identify any matters which you would like the ORR 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

Steve Jones