

4 October 2012

Philip Willcox
Office of Rail Regulation
1 Kemble Street
London
WC2B 4AN



7 Bury Place
London WC1A 2LA

T +44 (0)203 116 0007
F +44 (0)203 116 0008
W www.rfg.org.uk

Dear Philip,

ORR's Approach to Transparency

Thank you for the opportunity to comment on the ORR's proposed approach to transparency. We recognise the desire to increase transparency, particularly given the rail industry's role in providing public services, and the significant public sector contribution to the railway's finances.

Rail freight operates entirely in the private sector, and in a competitive market both between rail operators, and with other modes. This environment means that freight operators are incentivised to meet their customers needs, both for information and of course for service delivery. Freight customers, who are businesses in their own right, also have widely varying needs for information – for example to link to their existing systems, or to match their particular logistics needs. Freight services are also generally not considered as 'public service' and are not, for the most part, directly subsidised.

This does not mean that there is no place for transparency, but that the approach will need to differ from that for passengers, and be mindful of the environment in which rail freight operates. The consultation document has not made any particular comment on freight information, over and above that which is already published, and we consider that if ORR wishes to increase the information it makes available, a more detailed analysis, informed by the requirements of actual freight customers should be undertaken. Such a review should also consider which information is available to the general public as well as freight customers – certainly, for example, it is unclear why live running information is in the public interest, although there are clear cases where customers may wish to access this. Conversely information on overall growth and trends informs a wider public debate and is welcome.

Data can also play an important role in promoting the case for rail. Conversely, it can also send the wrong message, and act as a barrier to changing perceptions. Of course, transparency is seen as a way of highlighting weakness and leading the case for improvement, but a balanced position needs to be found. An important element of this is

Delivering choice for business

modal comparison. For example, a freight customer choosing between road and rail will be able to identify rail performance to within 10 minutes. Equivalent data is not available for road freight on a national basis – and so a fair comparison cannot be made. This does not mean that the rail data should not be published, but that some surrounding context needs to help with interpretation of that data alongside that of other modes.

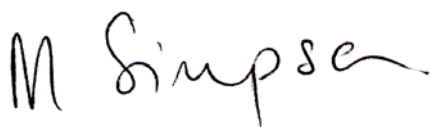
ORR, or who ever publishes data, will need to think carefully about the interpretation and message that goes alongside results. ORR traditionally publish freight data without comment – even when there has been significant volume growth. This is no doubt a policy decision on statistical handling but with a wider set of information in the future, ORR may wish to consider its advocacy role – linked to the duty to promote the use of the network for passengers and freight.

For Network Rail data, there is a strong link between this consultation, and the PR13 consultation on outputs. We would consider that the agreed outputs would form a suitable basis for discussions on transparency. Data quality must also be addressed, as we do not have confidence in some of the data provided by Network Rail as part of the PR13 process. Similarly, we note that the ORR data on freight lifted only captures 4 out of 5 freight operators on the network and, whilst the volume difference may be small today, changes in traffic between operators in the future may not be captured, leading to inaccurate data. A review of data quality may be appropriate.

We note the general desire for greater disaggregation of data to Network Rail routes. It is unclear that this offers particular benefits to freight customers who's traffic is unlikely to be confined to particular areas of the country. Whilst they may desire specific information on their actual services, it is unlikely this could be interpreted from route based data alone. We are concerned, based on the points above, that Network Rail's current systems may not be sufficient to provide disaggregated data – for example, they were not able to identify sections of the network that were freight only without recourse to Quail maps.

In summary therefore, we note the trend to greater transparency, and, where this can confer advantage to freight customers and in supporting greater use of freight then we can see there may be advantages. However, more detailed research on freight customer needs, and the extent to which the freight operating market is not meeting them should form the basis of any extension of current statistics.

Yours sincerely,



Maggie Simpson

Delivering choice for business

Executive Director

Delivering choice for business

Rail Freight (Users & Suppliers) Group • Registered No. 332 4439
Registered Office: 7 Bury Place, London WC1A 2LA