



15-25 Artillery Lane,
London E1 7HA.

Telephone: 020 7983 5174

Facsimile: 020 7983 5171

Mobile: 07818 421220

E-mail: ian.kapur@gbailfreight.com

Ben Worley.
Network Rail,
King's Place,
90 York Way,
London, N1 9AG.

1st February 2013

Dear Ben,

GB Railfreight Ltd. response to the PR13 Consultation on the allocation of the Variable Usage Charge:

Answers to Specific Consultation Questions:

- 1) *What is your view on the surface damage percentages estimated for each activity in Appendix 2 and our proposal that 78% and 22% of track variable usage costs should be attributed to vertical and horizontal rail forces respectively?*

GB Railfreight agrees with this proposal and the ratio of figures.

- 2) *Do you have any comments on the analysis carried out by Serco in order to re-calibrate the existing equivalent track damage equation?*

This, initial, Serco report is very detailed and complex and the adoption of its recommendations would lead to a significant change in the balance between axle load/un-sprung mass and speed. However, there are some key assumptions that have been made which GB Railfreight believes should not just be used for every scenario.

An example of this is the selection of the appropriate generic ride force model - it would seem to GB Railfreight that this must be influenced by the type of suspension chosen in this model. There is neither sufficient data presented to determine all of the assumed suspensions nor does there seem to be any sensitivity analysis presented around some of the key assumptions.

At a higher level, there is no evidence of an audit process for this initial report or a peer review of it. As this is such an important aspect of the PR13 access charging review, these need to take place, with further work required to substantiate or refute the initial findings. With this in mind, GB Railfreight urges Network Rail not to include initial findings of this work in the PR13 charging review and to continue the audit and review process through CP5 to inform CP6 charging.

- 3) *Do you consider that for CP5 we should use the revised 'hybrid' track damage formula derived by Serco, incorporating the existing Ct factor in its current format, to apportion vertical track variable usage costs between vehicle classes? Or*

(continued overleaf)

Do you consider that the existing equivalent track damage formula should be retained for CP5, alongside a commitment from the industry to, as part of the wider charges review in early CP5, to better understand the Serco analysis for potential implementation in CP6? Ultimately any decisions on charges for CP5 will, however, be a matter for ORR.

If it were to be concluded that the existing equivalent track damage equation should be retained for CP5, we would also propose using this equation to apportion the relevant non-track variable usage costs, rather than the revised 'hybrid' track damage formula recommended by Serco.

- 4) *Do you have any comments on the analysis in Appendix 3? What is your view on our proposal to update the existing methodology such that it incorporates a new damage calculation methodology (comprised of separate components for grinding, RCF and wear), a coefficient of friction on the flange of 0.1 (to reflect better lubrication), sample track alignment variations and values of $T\ddot{\gamma}$ for the trailing wheel set of a bogie?*

The results of this new methodology significantly increases the damage caused by a Y25 bogie. We have input from those who have worked on the development of this model that it is not a reliable predictor of friction based suspensions. Until the model is better suited to dealing with friction based suspensions GB Railfreight does not support the introduction of this new model for this critical work.

- 5) *Would you like to provide any tare and laden vehicle dynamics models in order to facilitate revising an existing, or creating a new, curving class for CP5?*

GB Railfreight has contacted the supplier of the TF25 bogie, Axiom Rail Ltd., whom we believe are now in discussions with Network Rail regarding either supplying the models or supporting Network Rail in carrying out the required analysis.

- 6) *What is your view on our proposal to retain the existing equivalent structures damage equation for apportioning metallic underbridge variable usage costs but using a modified axle load exponent of 4 rather than 4.83?*

GB Railfreight agrees with this position.

- 7) *What is your view on our proposal to use the revised equivalent track damage equation for apportioning embankments, culverts and brick and masonry underbridge variable usage costs?*

GB Railfreight believes that, in line with the response to question 3, the existing track damage equation should be used.

- 8) *What is your view on our proposal to apportion the 50% of signalling variable usage costs, estimated to be load related, using the equivalent track damage formula and the 50% of signalling variable usage costs, estimated not be load related, based on vehicle miles?*

GB Railfreight agrees with splitting the variable usage cost, as suggested, but retaining the existing track damage formula consistent with the answer to question 3.

- 9) *What is your view on the draft list of vehicle characteristics contained in the spreadsheet attached to the covering email accompanying this consultation? Do you consider that any of these should be amended (if so, please provide supporting evidence where possible)?*

GB Railfreight believes that the correct parameters should be applied for the vehicle type, e.g. wagons equipped with TF25 bogies, such as HYA wagons, should not be allocated Y25 curving type.

It should, in future, be required as part of the new vehicle compatibility process that the required vehicle models are provided to allow correct parameters to be used.

10) What is your view on our proposal that, for existing vehicles, not subject to vehicle modification, VUC rates should be 'locked down' for CP5?

GB Railfreight agrees with the proposal to lock VUC charges down for CP5 provided the responses to questions 3,4 and 5 are taken into account. However there should be an opportunity to adjust rates when it is agreed that the current methodology unfairly treats a category of vehicle through limitations in the modelling which is subsequently corrected during CP5.

11) What is your view on our revised freight operating speed estimates and the methodology used to derive them? Would you like to provide any further information in relation to freight operating speeds?

GB Railfreight is in agreement with Network Rail's position on freight operating speeds.

12) What is your view on our proposal that the default approach should be that passenger operating speeds are estimated using the existing CP4 formula unless evidence, based on the timetable, that an alternative operating speed is more appropriate is provided? Would you like to provide any evidence, based on the timetable, that an alternative operating speed is more appropriate?

GB Railfreight does not have an opinion on this matter.

13) What is your view on our proposal to retain a default rate for freight vehicles and introducing a default rate for passenger vehicles in CP5?

GB Railfreight agrees with keeping a default rate for freight vehicles. However following the suggestion in response to question 9, the need for this will reduce over time.

14) What is your view on our proposed default rate 'bands' and that the respective rate for each of these bands should be the highest relevant vehicle rate on the CP5 price list?

GB Railfreight is of the view that the use of default rate bands be minimised by making the supply of vehicle specific data a required part of the vehicle compatibility submission to NR.

15) What is your view on our proposal to adjust VUC rates during the control period in light of vehicle modifications?

GB Railfreight agrees with the proposal to adjust VUC rates during the control period for vehicle modifications to encourage operators to make improvements to vehicles.

Yours sincerely,

Ian Kapur.
National Access Manager.