

15-25 Artillery Lane, London E1 7HA.

Telephone: 020 7983 5174 **Facsimile**: 020 7983 5171 **Mobile**: 07818 421220

E-mail: ian.kapur@gbrailfreight.com

Ekta Sareen.
Regulatory Economist,
Network Rail,
King's Place,
90 York Way,
London,
N1 9AG.

25th April 2012

Dear Ekta,

<u>Allocating Freight Vehicles to Suspension Bandings – GB Railfreight response to</u> Consultation on a Revised Approach:

Introduction:

This submission describes GB Railfreight's comments on the proposal for a revised approach to allocating freight vehicles to suspension bands. It is also relevant to describe the economic factors which are currently affecting the introduction of new wagon fleets.

The UK wagon fleet has benefited from significant investment in new wagons since 1998, initially with the EWS fleet built by Thrall in York, the majority of this fleet uses the Swing Motion suspension type. Use of this technology allowed access to the economies of scale of the US market and assisted in making the investment decision viable when compared to the existing legacy fleet. This was at the penalty of the use of a suspension technology which wasn't regarded as particularly "track friendly".

Around 1999-2000, the TF25 bogie was introduced and was employed in a number of new builds from this time. While this bogie type was considerably more expensive than rivals such as Swing Motion and Y series, it also coincided with the opening up of Eastern European wagon building capacity which meant that these wagons became affordable, supported in part by the track access charging regime. This resulted in almost all 25.4t axle load wagons being built with TF25 suspensions including those purchased by DBS (EWS).

From 2006-7 there has been a significant increase in wagon costs as commodity prices have increased and the cost of Eastern European capacity has climbed. This means that the costs of TF25 based wagons today is around 60%-70% more expensive than in 2005. This now makes the cost of replacing the legacy fleet more difficult to justify than previously. Therefore the track access charging regime, which penalises older legacy and inferior suspensions, will not have the desired effect of getting new fleets introduced if it is watered down. It may also not be sufficient, as currently structured, and it could be argued that the level of benefit/dis-benefit needs to be increased if the replacement of old vehicles with new track friendly types is to continue at the pace achieved over recent years.

There are 2 specific areas where GB Railfreight wishes to comment as follows:

- the proposal to reset all Suspension Factors to 1.0 at the beginning of CP6
- the use of vertical input only to the RFC method.

Each is discussed in detail below:

Resetting all Suspension Factors to 1.0 at the beginning of CP6:

It is GB Railfreight's view that re-setting the Suspension factors to 1.0, at the beginning of CP6, will be counterproductive regarding the overall objective of incentivising the introduction of new, more track friendly suspension technology. The action of resetting the factors to 1.0 will mean that those suspensions already in bands 1-3, and those which will go into Bands 1-3 under the RFC regime, will be better off by being reset to 1.0 hence operators and owners of these vehicles will adopt a 'do nothing' approach.

Such an approach will simply delay the substitution of the vehicle types by more track friendly options by limiting the competitive advantage to be gained by investing in new technology.

Furthermore, this approach will also delay or postpone the investment decisions of FOCs considering investing in new rolling stock, using track friendly suspensions, as they will not only assess the suspension band that the new rolling stock will be in but also the competitive advantage to be gained over others using older less track friendly technology.

GB Railfreight is also of the view that it should not be a barrier to any vehicle owner or operator to have the necessary analysis done to allow the categorisation of their existing fleets using the computer modelling widely available today, especially given the time period being proposed.

GB Railfreight would therefore recommend that the approach taken should be to reset all suspensions to band 1 at the start of CP6 if they have not been analysed using the RFC method.

The use of vertical input only to the RFC method:

It is the opinion of GB Railfreight that limiting the RFC method, only to vertical forces, does not permit those suspension types which can demonstrate good lateral behaviour from obtaining additional benefit.

The existing 7 track bands specifically has track band 7 reserved for suspensions which are both track friendly combined with steering. However the proposed RFC method applies a lower level of RFC to band 7 which implies only a better vertical performance. In addition the RFC method proposes that lateral effects are not considered at this stage due to the difficulty in analysing the lateral behaviour of freight wagon suspensions which often rely of friction damping. However, as currently worded, this also prevents suspension types which do not rely of friction damping and therefore are capable of being analysed from gaining any commercial benefit.

GB Railfreight therefore proposes one of the following solutions are adopted:

- a) re-assess band 7 such that it is reserved for suspensions where it is possible to demonstrate good lateral behaviour.
- b) creation of an additional discount factor where good lateral behaviour can be demonstrated.

It is also the view of GB Railfreight that evidence of good lateral behaviour, such as superior wheel life due to much reduced flange wear, be considered as part of the evidence of lateral track friendly performance.

Yours sincerely,

lan Kapur. National Access Manager.