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Dear Ekta,

Network Rail consultation on the fixed track access charge

This letter sets out TfL's responses to the questions posed by the consultation. In particular we have commented on the Crossrail FTAC.

The Mayor of London has proposed that some inner suburban rail services should be devolved to TfL as concessions. The FTAC allocation methodology will need to be able to respond to franchise remapping associated with devolution if it occurs within CP5.

TfL is content for the contents of this response to be published.

1. Do you have any views on the allocation metrics we are proposing to use for each of the cost categories for allocation of the FTACs to franchised passenger operators? (see Annex B)

TfL supports the proposal to allocate costs according to relevant metrics although is not clear how all the metrics in Annex B were selected.

2. Do you agree with our proposal, to use an approach similar to the one used in CP4, to allocate FTACs?

TfL agrees with using a similar approach to that used in CP4.

3. Do you have any views on our proposal to reflect operator-specific income where possible?

TfL is content with this proposal.

4. Do you agree with our approach to calculating the Scottish FTAC?

TfL has no comments.

5. Do you have any additional comments to make in relation to our proposed approach to calculating FTACs?

TfL is surprised at the proposal to calculate FTACs at route level rather than at the present Strategic Route Section (SRS) level of disaggregation. In the interests of transparency, it would be preferable to calculate FTAC at SRS level and then aggregate to route level as required.

6. Do you agree with our approach to calculate FTACs for remapped franchises based on vehicles km?

TfL agrees with proposal to use vehicle kms to calculate FTAC for remapped franchises as this methodology is clear and easily understood.

7. Do you agree with our proposal not to incorporate any facility charges into the FTACs at control period changes?

TfL agrees with this approach.

8. Do you agree with our proposal to recover the Welsh Valley Lines electrification project costs through a facility charge?

TfL has no comments on this proposal.

9. Do you agree with our approach to the treatment of potential open access fixed charges?

The approach to open access operators' fixed charges will depend on ORR's proposed treatment of open access operators in CP5. TfL agrees that Network Rail should assume no open access fixed charge at the start of CP5 in the absence of other information.

10. Do you agree with our approach to the treatment of Crossrail costs in CP5?

TfL notes the proposal as stated in the consultation document and supports in principle the arrangements to apply at the start of CP5. As you may be aware, although Crossrail services are not expected to operate on national rail infrastructure until 2019 (as assumed in the consultation document), it is the intention of the Crossrail Sponsors to transfer responsibility for certain franchised services to TfL during the course of CP5, as part of the strategy for bringing Crossrail into service. We therefore anticipate that during the course of CP5 there will be a need to partition the relevant access rights and thus also liability for certain access charges associated with these transferring services for the remaining duration of CP5. We anticipate that this would be done using similar principles applied to the transfer of NLL

services to TfL in CP3.

11. Do you have any views on our approach to calculate indicative route-based RABs?

TfL is content with the proposal to calculate indicative route based RABs for information purposes.

12. Do you have any views or suggestions about our approach to stakeholder engagement?

Network Rail should engage with TOCs and funders as soon as practicable to inform them of likely changes to FTAC in CP5. In particular, TfL should be consulted on the proposed approach to charges as it impacts on London Overground and Crossrail.

Yours sincerely,

Carol Smales
Forecasting and Business Analysis Manager