

10 January 2012

Abigail Grenfell
Office of Rail Regulation
One 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 Abigail,

Freight Performance

I am writing in response to Richard Price's letter to David Higgins in relation to performance, and specifically in respect of freight performance.

Overall, we agree that the action that you are taking in respect of freight performance is now appropriate. The continued underperformance, and the apparent lack of a coherent plan for improvement is of concern to all in the sector.

The impact of poor performance of course differs by sector and customer and in some cases, meeting customer needs can contribute itself to poor performance, for example in late starts. We therefore support the improvement order which places the onus with the freight operators to work with Network Rail to determine appropriate remedy. However, we do consider that this may need to be wider than simply discussing metrics, and would need to look holistically at the causes of poor performance, the impacts on customers and potential customers and the actions needed by Network Rail, and also by the operators and their customers. We also note that some of the areas – such as freight scheduling and access – may have implications wider than can be addressed at Recovery Board.

We recognize that it is unlikely that Network Rail can now meet the regulatory target, but consider that it remains appropriate to continue to monitor progress against it. Some interim targets, which may be more able to be met, might also be appropriate to incentivise behaviour. We note the new measure being proposed by the operators, and are generally neutral about it, noting that it should be in addition to delay minutes.

However, we do consider that, even if it is not a regulatory target, Network Rail and the operators should continue to measure and publish freight performance measure (FPM). This measure is broadly comparable to passenger PPM, and, being a percentage, is easily understandable by prospective customers and the wider public. Although the operators cite some concerns over the measure, we consider that it continues to have merit, and should be developed rather than dropped.

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As a detail, we note that Colas Rail have been omitted from the list of Freight Operators in the scope of the Recovery Board.

I hope that these comments are helpful,

Yours sincerely,

A handwritten signature in black ink that reads "Maggie Simpson". The signature is written in a cursive style with a large, prominent 'M' at the beginning.

Maggie Simpson
Policy Manager

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