

Dear Mr Clyne

Policy framework for investments: an initial consultation

We are writing in response to the above.

Our thoughts are from that of the logistics provider both using rail and road to move freight.

Our experience over the last 20 plus years is that any discussions dealing with access agreements i.e. headshunts take a huge amount of time, with costs which are not negotiable. The documentation and processes needed to get the right results appear to be extremely over complicated and difficult to comprehend.

In the future there must be the view taken that matters must be addressed from a customers' point of view i.e. simpler easier and in a time frame which is acceptable. Contractual arrangements between third party investors and ORR must be clear and simple, and the processes quick. The complexity and delay that can be found in dealing with NR is another major obstacle to increased levels of private sector investment.

The Government are keen to have more freight on rail, it would be good to have very clear messages from both the ORR and NR that they endorse this. The current situation is that freight is not made welcome. The goal must be to alter NR's behaviour so that customers and investors do not have to rely on ORR enforcement to facilitate their investment, which means severe penalties if NR fails to perform.

We the private sector have made huge commitments to rail freight by investing in modern facilities, together with the endless promotion of rail freight through the media and public presentations. This commitment requires other bodies in the rail industry to understand these issues, including that of "risk". We believe rail freight only succeeds due to being privatised, it is our opinion if it were operated in the same way as passenger transport costs would more that double.

We think that the ORR should encourage the logistics industry to be entrepreneurial to the benefit of all, most importantly NR e.g. The route from the Humber to the North West has gauge problems, our customers have 9'6" high x 45" long containers what encouragement could they receive to use low liner bogies to meet the customer requirements and avoid any expenditure by NR for gauge enhancement, bearing in mind that such wagon equipment costs twice as much as normal rolling stock. What about lower access charges? Or something similar?

In our view there is a clear need for the ORR to take a more robust and prescriptive approach with respect to NR's performance on third party investment. ORR's responsibility is to make NR properly responsive to the needs to customers and third party investors - at the moment it invariably seems to be the other way round.

The perspective from the "market place" is that we all need to change and adopt a positive attitude. This is not a big request and we believe would send very positive messages to Government, NR, rail operators, lobby groups and above all customers. Unfortunately, it is not appear as though the ORR is going far enough in this document by a considerable distance. A step change in the approach of the ORR is desperately needed if we are to see any improvement.

We look forward to hearing the outcome of your deliberations

Yours sincerely

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