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Geoff Jones
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13th July 2011

Dear Geoff

Re: Freight Avoidable Costs Consultation

Network Rail welcomes the opportunity to respond to HS1 Ltd's freight avoidable costs consultation. Network Rail has not been able to review, in detail, the analysis and calculations set out in the consultation, however, it observes the following:

- The pricing regime for freight charges should be transparent.
- Given the recommendations contained in the Rail Value for Money Study in relation to introducing infrastructure management concessions, the pricing regime should be simple to use for operators who cross network boundaries.
- HS1 Ltd's cost allocation methodology understandably lacks empirical evidence at this early stage of freight service development. Therefore, it may need to be reviewed in the light of experience in relation to maintenance activities and actual traffic levels, over time.

Network Rail does not consider its response to be confidential and is content for it to be shared with ORR and made available on your website.

Yours sincerely,

Peter Swattridge

Head of Regulatory Economics