

2025 HS1 NETWORK STATEMENT

Dated Edition: 31 May 2025

HIGH SPEED 1 (HS1)

HS1 LIMITED

GLOSSARY OF TERMS

| | |
|--|---|
| ACC | Ashford Control Centre |
| Access Agreement | Framework Track Access Agreement, Track Access Agreement or Station Access Agreement (as applicable) |
| AIC | Additional Inspection Charge |
| Applicant | Any person that wants to apply for a train path including TOCs, shippers, freight forwarding agents and combined transport operators intending to employ a TOC to operate the train path on their behalf |
| APC Magnets | Automatic Power Control Magnets |
| ATCS | Automatic Train Control System |
| AWS | Automatic Warning System |
| Access Proposal | Any notification made by any Applicant for a Train Slot as provided under the HS1 Network Code |
| Competent authority restriction of use | Any restriction of use taken by the Infrastructure Manager pursuant to a direction or an agreement with any competent authority (a public authority of a Member State(s) which has the power to intervene in public passenger transport in a given geographical area) |
| Concession Agreement | The agreement (as amended or restated) made between the Secretary of State and the Infrastructure Manager granting the concession to the Infrastructure Manager for the operation and financing of HS1 and the repair, maintenance and replacement of HS1 |
| DAPR | Delay Attribution Principles & Rules |
| DBC | DB Cargo (UK) Limited |
| Disruptive Event | Any event or circumstance which materially prevents or materially disrupts the operation of trains on any part of HS1 in accordance with the relevant Working Timetable |
| EIL | Eurostar International Limited |
| Engineering Access Statement | The Engineering Access Statement sets out the possessions requirements of the Infrastructure Manager in order to carry out inspections, maintenance, repair, renewal and enhancement works on HS1 |
| ERTMS | European Rail Traffic Management System |
| ETCS | European Train Control System |
| Eurotunnel (ET) | The infrastructure manager of the Channel Tunnel |

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|-----------------------------------|---|
| Flexing Right | The right of the Infrastructure Manager to vary any Access Proposal or Train Slots as provided under the HS1 Network Code |
| Framework Track Access Agreement | Agreement between the Infrastructure Manager and an Applicant for access onto HS1 for a duration of more than one Timetable Period |
| Franchised TOC | A TOC providing domestic passenger train services on HS1 pursuant to a franchise agreement with the Secretary of State or as an operator of last resort appointed by the Secretary of State |
| Freight OMRC | OMRC to be paid by a freight TOC for operating freight train services on HS1 |
| GSM-R | Global system for mobile telecommunications - railway |
| HS1 CAHA | CTRL Claims Allocation & Handling Agreement as updated |
| HS1 Codes | The HS1 Network Code, the HS1 Emergency Access Code, the HS1 Performance Data Accuracy Code and the HS1 Systems Code |
| HS1 Disputes Resolution Agreement | CTRL Disputes Resolution Agreement as updated |
| HS1 | High Speed 1 (formerly known as the CTRL) rail infrastructure or the Rail Link Facility |
| HS1 Network Code | The HS1 Network Code as updated |
| HS1 Rule Book | The CTRL Rule Book as updated |
| HS1 Sectional Appendix | The CTRL Sectional Appendix as updated |
| HS1 Standards | The CTRL Standards as updated |
| IRC | Investment Recovery Charge |
| Infrastructure Manager | HS1 Limited |
| KVB | Controle de vitesse par balises – Speed supervision by beacons |
| LTC | Long Term Charge |
| NR (HS) | Network Rail (High Speed). Formerly known as Network Rail (CTRL) Limited. A subsidiary of NRIL |
| NRIL | Network Rail Infrastructure Limited – also referred to as Network Rail |
| NR Network | The UK domestic railway operated by NRIL |
| New Working Timetable | The version of the Working Timetable which is formally offered to Applicants 22 weeks prior to coming into effect, and after the resolution of any disputes |

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| OMRC | Operations, Maintenance and Renewal Charge |
| ORR | Office of Rail and Road |
| OSS | One Stop Shop |
| Passenger Access Terms/ Freight Access Terms | Specifies the operational and commercial arrangements between the Infrastructure Manager and Applicants in relation to each other. |
| Possession | Restriction of use of railway infrastructure assets |
| Principal Change Date | The date normally falling on the Sunday next following the second Saturday in December in any calendar year |
| Rail Regulations 2005 | Railways Infrastructure (Access & Management) Regulations 2005 as amended by the Railways Infrastructure (Access and Management) (Amendment) Regulations 2009 |
| Rail Regulations 2016 | Railways (Access, Management and Licensing of Railway Undertakings) Regulations 2016, which among other things, revoke the Rail Regulations 2005, as amended. Available to view online: http://www.legislation.gov.uk/ukxi/2016/645/contents/made?regulation-19-17 |
| Relevant Year | A year commencing at 0000 hours on 1 April and ending at 2359 hours on the following 31 March |
| Revised Access Proposal | Any Train Operator Variation seeking to revise a Train Slot scheduled in the relevant Working Timetable |
| RNE | RailNetEurope, an association of European infrastructure managers |
| ROGS Regulations | The Railways and Other Guided Transport (Safety) Regulations 2006 as amended |
| Rolling Stock | Wheeled vehicles capable of movement on a railway, whether self-propelled or not |
| Second Exemption | The ability of an Infrastructure Manager to set charges in excess of directly incurred costs under the exemption set out in paragraph 3 of Schedule 3 of the Rail Regulations 2016 |
| Secretary of State | Secretary of State for Transport |
| Section 1 | The portion of HS1 that runs between Fawkham Junction/Southfleet Junction and Cheriton (Channel Tunnel Boundary) |
| Section 2 | The portion of HS1 that runs between St Pancras International Station and Southfleet Junction |
| SNRP | Statement of National Regulatory Provisions |

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| Station | St Pancras International Station, Stratford International Station, Ebbsfleet International Station and Ashford International Station (as applicable) |
| Station Access Agreement | Agreement between the Station Facility Owner and an Applicant for access to the relevant Station |
| Station Access Conditions | The HS1 Station Access Conditions (Edition Date: July 2022) and the annexes in relation to the relevant Station as each are modified in respect of the relevant Station from time to time |
| Station Enhancements Policy | HS1's framework for approaching and funding enhancements to stations. See Annex 6. |
| Station Facility Owner | HS1 Limited |
| STM | Special Transmissions Module |
| Subsidiary Change Date | The date normally falling on the Sunday next following the second Saturday in May in any calendar year |
| Temple Mills Depot | The light maintenance depot located at Temple Mills, north of Stratford, London |
| Timetable Period | The period of operation of the relevant Working Timetable |
| Timetabling Planning Rules | Means a document, formerly called Rules of the Plan, regulating, for any part of HS1, the standard timings and other matters necessary to enable trains to be included in the New Working Timetable or scheduled into the Working Timetable applicable to HS1. |
| Timetable Week | In respect of a Timetable Period, any week (or, in the case of the first and last such week of such period, part thereof) occurring during that period and commencing at 0001 hours on any Saturday and ending at 2400 hours on the next following Friday |
| Track Access Agreement | Agreement between the Infrastructure Manager and an Applicant for access on to HS1 for duration of up to a single Timetable Period |
| Train Operator Variation | Any formal request made to change, delete or add to the Train Slots shown in the Working Timetable |
| Train Slot | A train movement or a series of train movements, identified by arrival and departure times at each of the start, intermediate (where appropriate) and end points of each train movement. In this document, 'Train Slot' and 'path' are used interchangeably, except where specified. |
| Transport Undertaking | Term used to describe operators of transport systems within the ROGS regulations. |
| TRUST Monitoring System | The system which measures train delays on the network and underpins the performance regime calculations |

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| TOC | A Train Operating Company, being any public or private undertaking, licensed according (or exempt from licensing) to applicable legislation, the principal business of which is to provide services for the transport of goods and/or passengers by rail. In this document, 'TOC' and Railway Undertaking ('RU') are used interchangeably, except where specified. |
| TPWS | Train Protection and Warning System |
| TVM 430 | HS1 signalling system |
| UIC | Union Internationale des Chemins de fer |
| UKPN | UK Power Networks Services (Contracting) Limited |
| VHME | Vehicle Health Monitoring Equipment |
| VSTP | Very Short Term Train Planning |
| Working Timetable | The timetable for the train services on HS1 established in accordance with Part D of the HS1 Network Code for the relevant Timetable Period |

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GENERAL INFORMATION

1.1 Introduction

The High Speed 1 ("HS1") rail infrastructure consisting of track, four stations and associated infrastructure links the UK to continental Europe via the Channel Tunnel. The track on HS1 runs from the Channel Tunnel to St Pancras International Station. The four stations on HS1 are St Pancras International Station, Stratford International Station, Ebbsfleet International Station and Ashford International Station (as applicable). Ashford International Station is located within the infrastructure owned by Network Rail Infrastructure Ltd ("NRIL"). Domestic side of Ashford International is operated by SE Trains Limited ("Southeastern").

HS1 Limited ("HS1 Ltd") is the infrastructure manager of HS1 under the Rail Regulations 2016 and has issued this Network Statement for HS1.

HS1 Ltd (the "Infrastructure Manager") is a nominated undertaker for the purposes of the Channel Tunnel Rail Link Act 1996 and the Channel Tunnel Rail Link (Supplementary Provisions) Act 2008. The Infrastructure Manager has entered into an agreement with the Secretary of State for Transport (the "Secretary of State") under which the Secretary of State grants it a concession to operate, finance and maintain HS1 for a specified period ("Concession Agreement").

1.2 Objective

This Network Statement has been developed pursuant to the requirements of the Rail Regulations 2016. This Network Statement provides general information about HS1; conditions of access to HS1 by transport operators; rules, procedures and criteria for allocation of capacity and payments for the same.

1.3 Legal Framework

- 1.3.1** The Recast of the First Railway Package (Directive 2012/34/EC) was finalised in November 2012, and was implemented by the Railways (Access, Management and Licensing of Railway Undertakings) Regulations 2016. Amongst other things, the Regulations set out the requirement for a Network Statement, and the information to be included.
- 1.3.2** The other legislation that relates to HS1 includes the Channel Tunnel Rail Link Act 1996, the Channel Tunnel Rail Link (Supplementary Provisions) Act 2008, parts of the Railways Acts of 1993 and 2005, the Railways and Transport Safety Act 2003 and a range of secondary legislation.
- 1.3.3** The Secretary of State has established a charging framework under the Rail Regulations 2016. The Infrastructure Manager is obliged to set its charges for use of HS1 by reference to this charging framework.
- 1.3.4** The Office of Rail and Road ("ORR") is obliged by the Rail Regulations 2016 to exercise its functions under or by virtue of the Concession Agreement in order to ensure that the Infrastructure Manager is provided with incentives to reduce the cost of provision of infrastructure and the level of access charges. The ORR's functions in this regard include conducting:
- a periodic review of the charges levied by the Infrastructure Manager in respect of operation, maintenance and renewal of HS1 (other than in respect of Stations); and
 - from 27 July 2022, a separate periodic review of the LTC levied by the Infrastructure Manager in respect of Stations.
- 1.3.5** On 31 January 2020 the UK left the EU and the transition period ended on 1 January 2021. Pursuant to the European Union (Withdrawal) Act 2018 certain applicable EU law became retained EU law. Pursuant to the Railways (Access, Management and Licensing of Railway Undertakings (Amendments etc.) (EU Exit) Regulations 2019 amendments were made to rectify deficiencies that arose as a result from the UK's departure from the EU. Most of the amendments are minor

consequential changes. Government discussions continue as to how to deal with retained EU law in the future. There are proposals to “sunset” certain pieces of railway legislation by the close of 2023, other pieces of legislation have had their deadline for “sunsetting” extended until the end of 2026. When considering the position, it is important to look to the actual legislation for an authoritative version of what is and isn’t in force as we move through this period of transition.

1.4 Legal Status

1.4.1 General Remarks

This Network Statement is one of a suite of important documents. Operators on HS1 infrastructure are required to enter into Track Access Agreements or Framework Track Access Agreements which encompass, and make contractually binding, a number of other HS1 documents including the HS1 Codes, and Passenger Access Terms / Freight Access Terms.

1.4.2 Liability

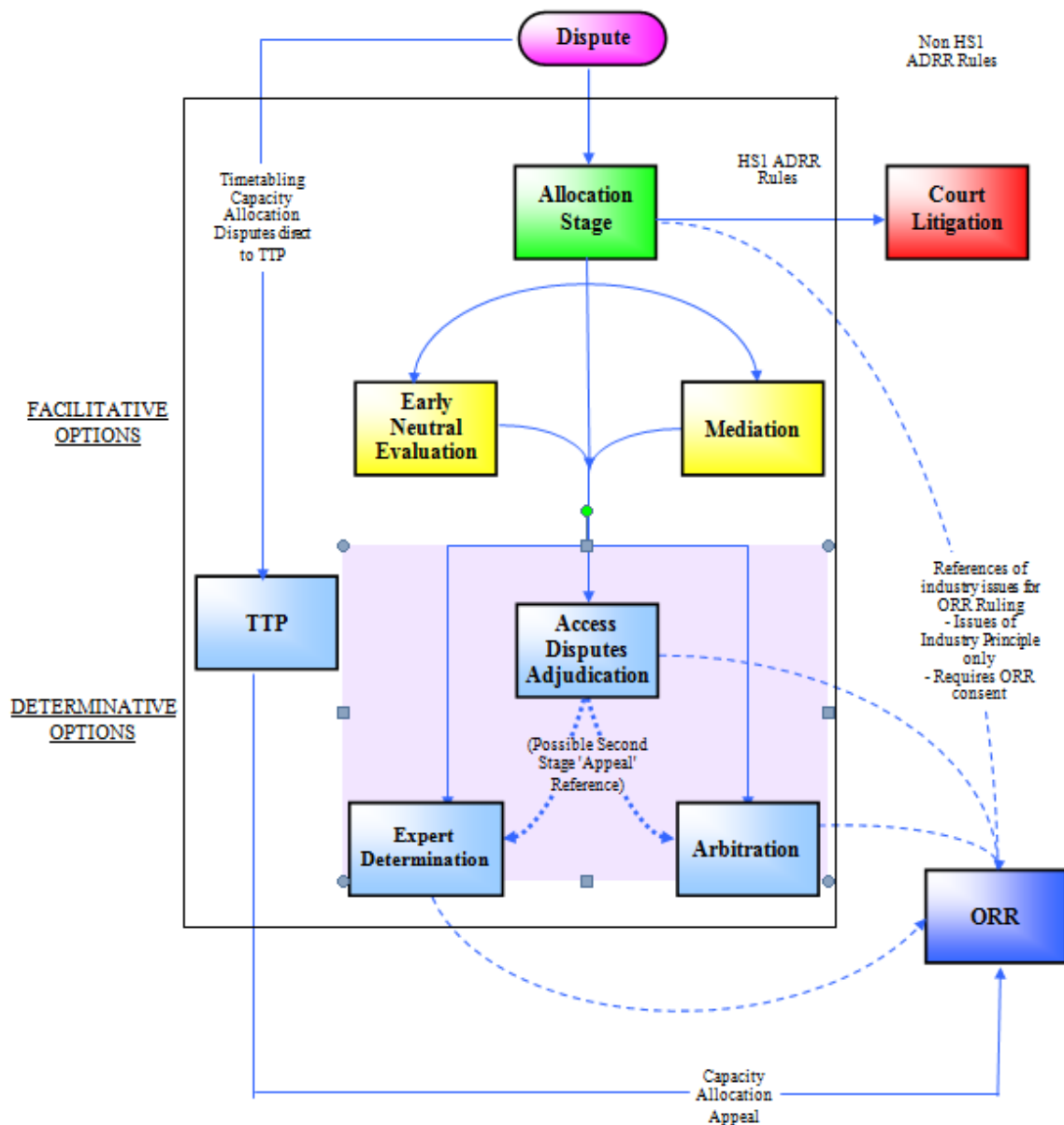
Reasonable efforts have been made to ensure that the information provided in this Network Statement is accurate. Whilst the Infrastructure Manager is responsible for keeping the Network Statement up to date and in compliance with the Rail Regulations 2016, it does not accept any liability for errors, omissions or inaccuracies due to information provided by third parties. Errors which are notified to the Infrastructure Manager will be reviewed and corrected where appropriate in the next issue of the Network Statement.

1.4.3 Appeals Procedure

Any dispute on matters covered by the HS1 Access Disputes Resolution Rules should be dealt with in accordance with the procedure prescribed in such rules, which are annexed to the HS1 Network Code. This is a regime which was introduced on 2 January 2011 and addresses disputes arising out of or in connection with Framework Track Access Agreements, Track Access Agreements and Station Access Agreements. The Access Disputes Committee for the dispute services under the HS1 Access Disputes Resolution Rules is the same committee as used on the NR Network. The charges for the provision of such services are passed on to the Train Operating Company (“TOC”) in the Framework Track Access Agreements, Track Access Agreements and Station Access Agreements.

Any disputes in relation to other matters covered by the HS1 Disputes Resolution Agreement should be dealt with in accordance with the procedure prescribed in that agreement. The HS1 Disputes Resolution Agreement provides for the referral of any dispute to a technical, operational or financial panel, as appropriate, then an attempt at amicable settlement and finally to arbitration under the rules of the London Court of International Arbitration. A decision on the appeal must be made within 10 working days.

The dispute process is summarised in the diagram below:



The ORR is the regulatory body to which an appeal may be made in accordance with the Rail Regulations 2016 if any Applicant for capacity on HS1 believes it has been treated unfairly, discriminated against or is in any other way aggrieved concerning this Network Statement or any of the other matters specified in Regulation 32(2) of the Rail Regulations 2016. Details of the procedure can be obtained from the ORR website:

http://orr.gov.uk/data/assets/pdf_file/0020/5609/hs1_criteria_and_procedures.pdf.

In considering appeals concerning HS1, the ORR is obliged by Regulation 32(6) of the Rail Regulations 2016 to consult with and take account of any representations made by the Secretary of State.

It is the aspiration of the Infrastructure Manager that the signatories to the HS1 Disputes Resolution Agreement exhaust the applicable procedures prior to making any appeal to the ORR.

The HS1 Access Disputes Resolution Rules are available on HS1's website: <https://highspeed1.co.uk/regulatory/key-regulatory-documents>

1.5 Structure of Network Statement

This Network Statement has been structured in the format agreed by members of the RailNetEurope network statement working group.

1.6 Validity and Updating Process

1.6.1 Validity Period

The Rail Regulations 2016 require HS1 Ltd as an infrastructure manager to consult on and publish a Network Statement four months before the deadline for applications for infrastructure capacity (the Priority Date for the relevant timetable). Consequently, in the context of the GB allocation process, the 2025 Network Statement is for use for capacity requests for the 2025 timetable year (15 December 2024 to 13 December 2025).

The next scheduled update is in August 2024. This Network Statement will also be updated and re-published as and when changes are required.

1.6.2 Updating Process

This Network Statement will be updated and re-published as and when changes are required.

1.7 Publishing

The Network Statement can be downloaded free, from the website of the Infrastructure Manager (<http://highspeed1.co.uk/regulatory/key-regulatory-documents>). The Network Statement will also be made available in French on request. In the event of inconsistencies or interpretation difficulties between versions, the English version alone is authoritative.

1.8 Contacts

1.8.1 On all issues related to HS1:

Strategy & Regulation Director
HS1 Limited
5th Floor, Kings Place, 90 York Way
London N1 9AG
Tel: +44 (0)20 7014 2700
E-mail: regulation@highspeed1.co.uk
Website: www.highspeed1.co.uk

1.8.2 On issues relating to Temple Mills Depot:

Director of Regulation, Public Policy & Special Counsel
Eurostar International Limited
6th Floor, Kings Place,
90 York Way
London N1 9AG
Tel: +44 (0)20 7843 5500
Website: www.eurostar.com

Requests for access to Temple Mills Depot must be made in the first instance to the General Secretary of Eurostar, in writing and in the form set out in section 1 of the Temple Mills International Service Facility Description. This document is published on the HS1 website at: <https://highspeed1.co.uk/media/kpfrh2h/eil-tmi-sfd-final-2022-v1.pdf>

1.8.3 On issues relating to Ashford Depot:

Stations and Depots Access Contracts Manager
Southeastern

4 More London Riverside
London
SE1 2AU
Tel: +44 (0)20 7620 5000
E-mail: lucinda.ball@southeasternrailway.co.uk
Website: <https://www.southeasternrailway.co.uk/>

1.8.4 On issues relating to Dollands Moor:

Access Manager
DB Cargo (UK) Limited
Lakeside Business Park,
Carolina Way, Doncaster,
South Yorkshire, DN4 5PN
Tel: +44 (0)1302 577 010
Website: <https://uk.dbcargo.com/rail-uk-en>

1.8.5 On issues relating to track access on the NR Network and the domestic section of Ashford International Station:

Southern Region Managing Director
Network Rail Infrastructure Limited
London Puddle Dock
1 Puddle Dock
Blackfriars
Greater London
EC4V 3DS
Tel: +44 (0)330 854 8100
Website: www.networkrail.co.uk

1.8.6 On issues relating to access to track through the Channel Tunnel:

Director of Railway Development
Eurotunnel
UK Passenger Terminal Building
P.O. Box 2000, Folkestone
Kent, CT18 8XY
Tel: +44 (0) 1303 288615 / +33 (0)321 00 8615
Fax: +44(0)1303 288609 / +33(0)321 00 8609
Email: jean-pierre.ramirez@eurotunnel.com
Website: www.eurotunnel.com

1.9 Rail Freight Corridors (RFCs)

Currently there are no RFCs which utilise HS1 infrastructure. Following Brexit, the UK is no longer a member of EU RFCs.

1.10 RailNetEurope – international cooperation between infrastructure managers

RailNetEurope (RNE) was created in January 2004 on the initiative of a number of European railway infrastructure managers and allocation bodies (IMs/ABs) who wished to establish a common, Europe-wide organisation to facilitate their international business.

Aims

RNE is committed to facilitating international traffic on the European rail infrastructure. It provides support to Railway Undertakings (RUs) in their international activities (both for freight and passengers) and strives to increase the efficiency of the IMs'/ABs' processes.

As a trans-European association, RNE plays a pivotal role in encouraging the industry to follow harmonised, transparent and non-discriminatory rules in the international railway business.

An umbrella organisation

In its day-to-day work, RNE's task is to simplify, harmonise and optimise international rail processes such as Europe-wide timetabling, sales (including Network Statements), traffic management and after-sales services (e.g. reporting).

These tasks are carried out by four standing working groups and by ad-hoc project groups coordinated by the RNE Joint Office, which is based in Vienna, Austria.

RNE international working groups and boards work towards making a seamless cross-border rail services across UK and Europe a reality – whether this is by creating common standards for data exchange, easing inter-personal communication between traffic control centres or agreeing timetabling procedures for new train path products.

RNE also provides support to its members as regards compliance with the European legal framework.

Dedicated IT tools are also being streamlined and harmonised wherever necessary, and RNE's own IT systems are gradually being rolled out across Europe.

RNE network

Currently, RailNetEurope is a partnership of 38 IMs/ABs and 11 Rail Freight Corridors, who are either full or associated members, or candidate members. Their combined rail networks add up to well over 230 000 km. HS1 Ltd is a full member of RNE.

1.10.1 One Stop Shop (OSS)

RNE has established one OSS contact point in every member country. Each customer can choose its favoured OSS contact point for all its needs regarding international rail services. From the initial questions related to network access to international path requests and performance review after a train run – all these issues and more are handled by one contact point for the whole international train journey at the customers' convenience.

Customers of RNE members who run international rail services can therefore make use of the RNE One Stop Shop's bundle of services:

- A network of contact points guiding customers through the whole range of procedures: gaining network access, planning of efficient international rail transport, international train path management (ITPM) and performance review after train operation. Response times have been standardised at a customer-friendly level – the attainment of these service levels is currently being tested.
- OSS experts drawn from sales and timetabling merge their expertise in these fields to serve customers together with the OSS contact points.
- IT tools further assist applicants by giving price estimates for rail infrastructure use, by coordinating international train path ordering and supply processes, and by tracking & tracing international trains in real time.

The national OSS contact person information is available at <http://rne.eu/organisation/oss-c-oss/>

1.10.2 RNE Tools

RNE facilitates international railway business by developing harmonised international business processes in the form of templates, handbooks, and guidelines, as well as IT tools. You can find more information about RNE on <http://www.rne.eu/organisation/rne-approach-structure/>

1.11 Periodic Review – Control Period

As described in section 1.3.4 above the ORR has the responsibility under the Rail Regulations 2016 to regulate the economic aspect of the HS1 regulatory framework. The ORR discharges this responsibility by carrying out its functions set out in the Concession Agreement.

In relation to the HS1 route infrastructure, the periodic review (PR) is the process by which the ORR sets the level of OMRC that the Infrastructure Manager is able to recover from the TOCs in the next control period. In addition, the PR process sets a number of elements of the Infrastructure Manager's regulatory framework governing how the industry interacts with the Infrastructure Manager.

The purpose of the PR is detailed in Schedule 10 of the Concession Agreement. In February 2020 the Infrastructure Manager submitted the final Five Year Asset Management Statement for Control Period 3 to the ORR, following the ORR's Final Determination issued on 7 January 2020.

The HS1 document is available via the following link: <https://highspeed1.co.uk/regulatory/periodic-reviews>.

The ORR document is available via the following link:
https://orr.gov.uk/_data/assets/pdf_file/0020/42239/hs1-ltd-periodic-review-2019-pr19-final-determination.pdf

In July 2022 the ORR took over responsibility for conducting a separate periodic review in relation to the LTC levied by the Infrastructure Manager in respect of Stations, a role previously held by the Secretary of State. This periodic review process follows a similar process to the periodic review for the HS1 route infrastructure. The ORR has published a regulatory statement setting out how it proposes to discharge its functions and responsibilities in respect of Stations. The regulatory statement is available via the following link:

<https://www.orr.gov.uk/sites/default/files/2022-07/second-hs1-regulatory-statement.pdf>

ACCESS CONDITIONS

2.1 Introduction

This section deals with access conditions as applicable to HS1.

2.2 General Access Requirements

In order to be able to secure access to and operate on HS1, an Applicant will have to fulfil the requirements set out in this section 2.

2.2.1 Conditions for applying for capacity

To apply for a train path on HS1, an Applicant must have entered into a Framework Track Access Agreement or a Track Access Agreement or confirm in writing that it will be willing to and intends to enter into a Framework Track Access Agreement or a Track Access Agreement. Please refer to section 2.4 for further information.

Framework Track Access Agreements and Track Access Agreements contain a number of conditions which must be satisfied by an Applicant before it can use a train path. These conditions require the Applicant to:

- (a) hold a valid railway undertaking licence and a Statement of National Regulatory Provisions ("SNRP") granted or recognised under the Railway (Licensing of Railway Undertakings) Regulations 2016 (as amended) or a licence exemption granted by the ORR or fulfil the relevant provisions of the Channel Tunnel Rail Link Act 1996 which grant exemption from the need for a licence under the Railways Act 1993;
- (b) hold a valid and current safety certificate (see section 2.2.4);
- (c) become a signatory to the HS1 Claims Allocation and Handling Agreement ("HS1 CAHA"), to the HS1 Disputes Resolution Agreement and to the HS1 Access Disputes Resolution Rules (which are incorporated into a Framework Track Access Agreement or Track Access Agreement by way of the HS1 Network Code);
- (d) if the Applicant is intending to operate passenger services, become a signatory to the Station Access Agreements for the Stations it intends to use and such other agreements as may be specified in the relevant Framework Track Access Agreement or Track Access Agreement; and
- (e) become a signatory to a direct agreement with the Secretary of State and the Infrastructure Manager in relation to the Framework Track Access Agreement or Track Access Agreement (as applicable) and the Station Access Agreements (if any) ("Direct Agreement") if required by HS1.

Under the Rail Regulations 2016 the Infrastructure Manager and the Applicant will need to obtain the prior approval of the ORR before entering into, or amending a Framework Track Access Agreement. However the Infrastructure Manager and an Applicant will not need to obtain the approval of the ORR prior to entering into or amending a Track Access Agreement. Neither is approval of the ORR required prior to entering into or when amending a Station Access Agreement.

In addition, the Infrastructure Manager reserves the right to require the Applicant to provide credit protection for the benefit of the Infrastructure Manager. Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

Any capacity allocated to an Applicant is non-transferable and non-tradeable.

2.2.2 Conditions for access to the railway infrastructure

HS1 is open access rail infrastructure and is open to all TOCs as long as they fulfil the requirements to obtain a train path and are capable of operating rail services on HS1. HS1 has been declared as Specialised Infrastructure pursuant to Regulation 25 of the Rail Regulations 2016 (see section 3.4.1).

2.2.3 Licences

The ORR is the body responsible for issuing (i) licences under the Railways Act 1993; (ii) railway undertaking licences under the Railway (Licensing of Railway Undertakings) Regulations 2005 (as amended), which may also be issued by corresponding bodies in other member states of the European Union; and (iii) SNRPs in Great Britain, to domestic and international users. For further information, please refer to the ORR website: <https://www.orr.gov.uk/guidance-compliance/rail/operator-licences-exemptions/licensing-railway>

The Channel Tunnel Rail Link Act 1996 provides for an exemption from the requirement to hold a train operating licence under the Railways Act 1993 in the following circumstances:

- (a) the TOC is providing train services involving travel through the Channel Tunnel; or
- (b) the TOC is a rail link undertaker (as defined in the Channel Tunnel Rail Link Act 1996) who provides train services for the carriage of goods which does not involve carriage outside HS1.

2.2.4 Safety Certificate

The ORR is the National Safety Authority (NSA) for railways in Great Britain. The Railways and Other Guided Transport Systems (Safety) Regulations 2006 ("ROGS Regulations") require all mainline train operators to maintain a safety management system (SMS) and hold a safety certificate indicating that the SMS has been accepted by the ORR. To obtain a safety certificate, applicants need to describe how their safety management system allows them to run their transport system safely. ORR will focus on checking that safety management systems are effective, meet the requirements of the ROGS Regulations and are fit for the purpose they are being used for. Further information can be found in the *New Operator Guide* on the HS1 website, via the following link:

<https://highspeed1.co.uk/regulatory/access-new-operators>

International operators using the Channel Tunnel are also required to obtain a Part B safety certificate issued by the Intergovernmental Commission. This is in addition to the Part A safety certificate which is issued by the safety authority in the country in which the operator first established its operation. More information from the Intergovernmental Commission, including relevant changes post-Brexit, can be found on their website:

<http://www.channeltunneligc.co.uk/>

2.2.5 Cover of liabilities

All licensed TOCs are required to maintain the insurance cover required by the conditions of their licence. TOCs are required to maintain an insurance cover of not less than £155 million per incident in respect of all liabilities to third parties. Unlicensed TOCs will be required to maintain equivalent insurance.

The Infrastructure Manager maintains insurance with respect to HS1 as follows:

| Insurance | Minimum Sum Insured |
|---|---|
| Material Damage and Business Interruption | £600 million in respect of any one occurrence |
| Public and Products Liability | £400 million in respect of any one claim unlimited during any one period of insurance |
| Employer's Liability | £10 million in respect of any one claim during any one period of insurance |

Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

2.3 General Business / Commercial Conditions

2.3.1 Contracts with RUs

Except for the purposes of emergency access, each Applicant must enter into a Framework Track Access Agreement or a Track Access Agreement (as applicable), Station Access Agreements (as applicable), HS1 CAHA and the HS1 Disputes Resolution Agreement with the Infrastructure Manager to cover the full scope of the intended operations. Upon request of the Infrastructure Manager, each Applicant must also enter into a Direct Agreement with the Secretary of State and the Infrastructure Manager. Under the Direct Agreement:

- (a) a TOC undertakes not to terminate its Framework Track Access Agreement or Track Access Agreement (as applicable), Station Access Agreement(s) (if any) on account of

an Infrastructure Manager event of default, without first giving the Secretary of State not less than 15 business days' prior written notice; and

- (b) if the Concession Agreement is terminated by the Secretary of State:
 - (i) the Secretary of State may step-in to a TOC's Framework Track Access Agreement or Track Access Agreement (as applicable) and Station Access Agreement(s) (if any) and perform or procure the performance of the Infrastructure Manager's obligations (including payment obligations) under the relevant agreements; and
 - (ii) the Secretary of State or another person may assume by way of sale, transfer or other disposal the rights and obligations of the Infrastructure Manager under the relevant agreements.

The ORR has the power to periodically review the charging framework which has been established for HS1 through the Concession Agreement and applicants can appeal to ORR if they believe the level of charges to be unfair or discriminate against the Applicant.

An Applicant applying for capacity with a view to operating an international passenger service must give notice, discuss and agree its access rights with the Infrastructure Manager. The ORR encourages an Applicant to consider a pre application meeting with the ORR (see section 4.4.1 for further details).

Applicants would need to enter into separate agreements with any depot facility owners whose services they may wish to use. Please see section 1.8 for the relevant contact details.

2.3.2 Contracts with non-RU Applicants

Prospective non-RU Applicants wishing to apply for a train path should contact the Infrastructure Manager using the details set out in paragraph 1.8.1.

2.3.3 Framework Track Access Agreement

A Framework Track Access Agreement specifies the characteristics of the infrastructure capacity allocated to an Applicant over a period of time exceeding the duration of a single Timetable Period. It does not specify train paths in detail but provides an assurance that suitable capacity should be available to meet the commercial needs of the Applicant as envisaged at the time of entering into the agreement. For HS1, the function of framework agreements is fulfilled by the Framework Track Access Agreement made between the Applicant and the Infrastructure Manager.

Where an Applicant wishes to enter into a Framework Track Access Agreement it should contact the Infrastructure Manager at the earliest opportunity to discuss its requirements. There are no application forms which need to be submitted prior to contacting the Infrastructure Manager with a request for a Framework Track Access Agreement.

In deciding whether to enter into a Framework Track Access Agreement, the Infrastructure Manager will take into account whether the request made by the Applicant complies with the Rail Regulations 2016 including:

- (a) the extent to which the proposed arrangement will preclude the use of HS1 by other Applicants; and
- (b) whether the proposed duration of the arrangement satisfies the requirements specified in regulation 21(7) to (9) of the Rail Regulations 2016.

In circumstances where the Infrastructure Manager does not consider that there is sufficient capacity on HS1 it will discuss the request with the Applicant and seek to agree alternative arrangements.

While applications for Framework Track Access Agreements will be considered by the Infrastructure Manager in the order that they are received, if the Infrastructure Manager is considering more than one application at the same time and is unable to accommodate all of the requests for capacity, the Infrastructure Manager will apply the priority criteria specified in the declaration of specialised infrastructure (see section 3.4.1) contained in Part D of the HS1 Network Code.

The Rail Regulations 2016 require the Infrastructure Manager and the Applicant to obtain the prior approval of the ORR before entering into or amending any Framework Track Access Agreement. The process is set out in the 'ORR's Criteria and Procedures for the Approval of Framework Agreements for HS1'¹.

A template Framework Track Access Agreement is available on the HS1 website:

<https://highspeed1.co.uk/regulatory/access-new-operators>

By entering into a Track Access Agreement, the Applicant is also entering into the relevant Access Terms.

The HS1 Passenger Access Terms specifies the operational and commercial arrangements between the Infrastructure Manager and Applicants in relation to each other. In the context of Applicants wanting to operate passenger services on the HS1 network the Framework Track Access Agreement is governed by the HS1 Passenger Access Terms. The Passenger Access Terms is available on the HS1 website via the following link:

<https://highspeed1.co.uk/regulatory/access-new-operators>

Similarly, the HS1 Freight Access Terms exist for Applicants wanting to operate freight services on the HS1 network. The Freight Access Terms can be found on the HS1 website, via the following link:

<https://highspeed1.co.uk/regulatory/access-new-operators>

The HS1 template Track Access Agreement sets out the information HS1 expects that an Applicant would need as a minimum when setting up access and HS1 will consider each application on a case-by-case basis.

2.4 Operational Rules

2.4.1 HS1 Codes

The HS1 Network Code, HS1 Emergency Access Code, HS1 Performance Data Accuracy Code and the HS1 Systems Code, (together the "HS1 Codes") (web link:<http://highspeed1.co.uk/regulatory/key-regulatory-documents>) describe the operational arrangements applicable to encourage the safe and efficient operation of HS1. Incorporated as part of the Framework Track Access Agreements or Track Access Agreements (as applicable), the HS1 Codes aim to govern the operational behaviour of the Infrastructure Manager and Applicants in relation to each other. Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

2.4.2 HS1 Network Code

The HS1 Network Code sets out procedures relating to the operation of HS1. The code regulates changes including changes to railway vehicles and to HS1 itself. The HS1 Network Code also deals with the process for establishing a working timetable, addressing operational disruption and

¹ http://orr.gov.uk/_data/assets/pdf_file/0020/5609/hs1_criteria_and_procedures.pdf

performance improvement planning and monitoring. The HS1 Access Disputes Resolution Rules are appended to the HS1 Network Code.

Particular attention is drawn to the requirements under Part D of the HS1 Network Code setting out the processes for establishing the Engineering Access Statement and the Timetabling Planning Rules.

2.4.3 HS1 Emergency Access Code

For details of the HS1 Emergency Access Code, see section 2.4.10 below.

2.4.4 HS1 Performance Data Accuracy Code

The HS1 Performance Data Accuracy Code specifies the standards of accuracy in the recording of data required to be satisfied by the performance monitoring system established in the HS1 Network Code. It also provides a mechanism for agreeing and notifying changes to such standards.

The Code is available on the HS1 website: <https://highspeed1.co.uk/regulatory/key-regulatory-documents>.

2.4.5 HS1 Railway Systems Code

The HS1 Railway Systems Code describes the systems utilised on HS1 and the process required to be undertaken for changes proposed to those systems.

2.4.6 Engineering Access Statement

The Engineering Access Statement sets out the possessions required by the Infrastructure Manager in order to carry out inspections, maintenance, repair, renewal and enhancement works on HS1. The Engineering Access Statement specifies:

- (a) the location, number, timing and duration of any possessions of any track or section of track, which enable inspection, maintenance, renewal and repair thereof or of any other railway asset or any other works in relation thereto, and any restrictions regarding those possessions;
- (b) any temporary speed and other restrictions on the operation of trains on any section of track (including the intended duration of such restrictions), which may be necessary to carry out any inspection, maintenance, renewal or repair referred to in section 2.4.6(a) above; and
- (c) any alternative train routes or stopping patterns which may apply during any possessions referred to in section 2.4.6(a) above.

The Engineering Access Statement is settled each year through a consultation process set out in Condition D2 of Part D of the HS1 Network Code with the work undertaken by Network Rail Infrastructure Limited on our behalf. The HS1 Engineering Access Statement is included within the Network Rail Engineering Access Statement to provide a comprehensive picture for operators, and can be found at:

<https://www.networkrail.co.uk/industry-and-commercial/information-for-operators/>

Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

2.4.7 Timetabling Planning Rules

Amongst other things, the Timetabling Planning Rules contain the rules regulating the standard timings with other matters enabling trains to be scheduled into the working timetable for the various parts of the HS1 network.

The Timetabling Planning Rules also contain a procedure to enable amendments to be made to the Engineering Access Statement and the Timetabling Planning Rules other than through the annual consultation process set out in Condition D2 of Part D of the HS1 Network Code. No changes may be made to the Engineering Access Statement or the Timetabling Planning Rules unless the Infrastructure Manager has consulted, to the extent reasonably practicable, with each TOC affected by the proposed change and due regard has been had to the decision criteria specified in Condition D4 of Part D of the HS1 Network Code.

The Timetabling Planning Rules are settled each year through a consultation process set out in Condition D2 of Part D of the HS1 Network Code. Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

2.4.8 HS1 Standards and HS1 Rule Book

HS1 Standards are technical standards and operating procedures contributing to safe railway system operation and inter-working issued by the Infrastructure Manager, which are identified as "CTRL Standards" and compliance with which is mandatory. The HS1 Standards include the HS1 Rule Book, a modular document that includes procedures and specific working instructions in relation to general safety responsibilities: electrified lines; mishaps, incidents and extreme weather; on-track plant and machines; working by pilot-men; signals; speeds; shunting and station duties; track and signalling work; train signalling regulations and signalling general instructions; and train working. Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

2.4.9 HS1 Sectional Appendix

The physical attributes of HS1 are described in the HS1 Sectional Appendix. It also contains any special instructions required to amplify the HS1 Rule Book in respect of operations at specific locations.

The Sectional Appendix is available on the HS1 website:

<https://highspeed1.co.uk/media/3txaz5b5/sectional-appendix-to-the-hs1-rule-book-ref-c-02-os-05-2002.pdf>.

2.4.10 HS1 Emergency Access Code

The HS1 Emergency Access Code grants a TOC permitted to use HS1 a permission to use railway facilities of other TOCs and the Infrastructure Manager in case of an emergency on HS1 for the duration of such emergency and for as long after the cessation of such emergency as shall be reasonably necessary.

The stabling charges for the purpose of the emergency access shall be as follows:

- (a) in respect of HS1:
 - (i) for the first 24 hours – £40 (subject to indexation in accordance with the HS1 Emergency Access Code); and
 - (ii) for each subsequent period of 24 hours – £185 (subject to indexation in accordance with the HS1 Emergency Access Code); and
- (b) in respect of Temple Mills Depot, the Depot Facility Owner is EIL. EIL is currently in the process of recalculating charges for Temple Mills Depot. Information and rates will be advised by the contact person for Temple Mills Depot specified in section 1.8.2; and
- (c) in respect of other railway facilities: Rates as advised by the facility owner of the railway facility.

The above amounts are amounts payable in respect of each railway vehicle stabled and are

exclusive of value added tax. For periods shorter than 24 hours, the amounts in question shall be prorated.

2.4.11 Station Access Conditions

When an Applicant enters into a HS1 Station Access Agreement in respect of a Station, the Station Access Agreement shall incorporate the Station Access Conditions which set out the operational arrangements applicable to the operation of the Stations. The Station Access Conditions are available on the HS1 website, via the following link:

<https://highspeed1.co.uk/regulatory/access-new-operators>

2.5 Exceptional Transports

Special conditions of travel may need to be applied to certain vehicles or loads because of their size, weight or other unusual features. These conditions may include speed restrictions, train marshalling restrictions and/or special instructions for passing trains on adjoining lines, and are determined on an individual basis by comparing the consignment with the characteristics of the route over which it is to travel. Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

2.6 Dangerous Goods

Goods which are capable of posing a risk to health, safety, property and the environment during carriage by rail are classified as "Dangerous Goods" according to the Regulations concerning the International Carriage of Dangerous Goods by Rail and the Carriage of Dangerous Goods and Use of Transportable Pressure Equipment Regulations 2007. Both sets of regulations apply to TOCs operating on HS1. Dangerous Goods will require special authorisation and working instructions will be issued specific to the movement of such goods as per the HS1 Rule Book. Any TOC wishing to transport Dangerous Goods on HS1 should contact the Infrastructure Manager at the address set out in section 1.8.1.

2.7 Rolling Stock Acceptance Process

2.7.1 All vehicles placed in service on HS1 by a TU (Transport Undertaking) must be covered by Part B of the Safety Certificate that is referred to in Schedule 2, Part I of the ROGS Regulations. Any TU requiring to introduce a new vehicle, or make changes to an existing vehicle will have to consult and agree with the Infrastructure Manager (in accordance with the duty of co-operation detailed in Regulation 22) how the risks will be controlled, the requirements of this process are contained within the Infrastructure Managers standard RIS-8270-RST (as adopted) Route Level Assessment of Technical Compatibility between Vehicles and Infrastructure. The TU is also required to obtain the necessary First authorisation in the UK from National Safety Authority– the ORR. Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1'

2.7.2 The Railway (Interoperability) Regulations 2011 mandate that the Infrastructure Owner must have the ability to produce an export of its infrastructure data, meeting the Register of Infrastructure data specification (Commission Implementing regulation (EU) 2019/777 repealing implementing decision 2014/880 EU), within 28 days of a request by an applicant for authorisation or an approved body.

Data meeting the RINF data specification can be used for consideration at the design processes for rolling stock sub systems, enabling technical compatibility assessment for fixed installations, monitoring interoperability status of the UK railway network and assessing route compatibility for planned trains. It provides an overview of general compatibility, though the TU, vehicle manufacturer or other authorised users will need to undertake more detailed assessments prior to a vehicle being cleared to operate on a new route.

For more information about the HS1 RINF, please contact:

Asset Information Services
Network Rail
The Quadrant:MK
Elder Gate
Milton Keynes
MK9 1EN
Tel: +44 (0) 1908 781 000
Email: RINFdataenquiries@networkrail.co.uk

2.8 Staff Acceptance Process

2.8.1 TOCs are responsible for ensuring that all staff involved with or affecting the movement of trains:

- (a) possess the necessary skills and competences (including English language skills); and
- (b) comply with the relevant policies and codes of practice applicable to HS1.

2.8.2 The EU Directive 2007/59/EC was transposed into UK law through The Train Driving Licences and Certificates Regulations 2010. This sets out the requirements that all train drivers must adhere to in order to operate trains on UK infrastructure, including a valid licence and certificate, and the criteria required to obtain them.

INFRASTRUCTURE

3.1 Introduction

HS1 is a high-speed rail network that links the Channel Tunnel to St Pancras International Station and it includes four stations and allied infrastructure. Currently the Infrastructure Manager has appointed NR (HS) to operate and maintain HS1 (including the stations other than Ashford International Station (as applicable)) (please see section 3.3.1 below) on its behalf.

The Infrastructure Manager has appointed Mitie Technical Facilities Management Limited to operate and maintain the international section of Ashford International Station on its behalf. The international section of Ashford International Station is the only part of Ashford International Station forming part of HS1 (domestic services operate from an adjacent station of the same name which forms part of the NR Network).

HS1 is an electrified railway on which train operations with diesel locomotives are not permitted, except under special instructions and arrangements. (Please also refer to section 3.4).

3.2 Extent of Network

3.2.1 Geographical Limits

HS1 runs from the Eurotunnel interface at the UK end of the Channel Tunnel at Cheriton to St Pancras International Station. Please refer to Annex 4 for a route map of HS1.

St Pancras International Station is part of HS1 except that the tracks, signals, railway telecommunications and overhead line equipment in platforms 1 to 4 (inclusive) are part of the NR Network. Ebbsfleet International Station, Stratford International Station and the international section of Ashford International Station are also part of HS1, although the tracks passing through the international section of Ashford International Station and the signals, railway telecommunications and overhead line equipment are part of the NR Network. The infrastructure maintenance depot at Singlewell and the infrastructure maintenance siding at St Pancras are not available for normal railway operations and are restricted to network services only.

3.2.2 Connected Railway Networks

HS1 connects to other railway networks or facilities at the following locations:

Location

St Pancras (North London Line)
St Pancras (Midland Main Line)
St Pancras (East Coast Main Line)
Ripple Lane
Springhead Junction
Fawkham Junction (Waterloo Connection)
Ashford Connecting Lines
Dollands Moor Freight Connection
Cheriton
Temple Mills

Infrastructure Manager

Network Rail Infrastructure Limited
Network Rail Infrastructure Limited
Network Rail Infrastructure Limited
Network Rail Infrastructure Limited
Network Rail Infrastructure Limited
Network Rail Infrastructure Limited
Network Rail Infrastructure Limited
DB Cargo (UK) Limited
Eurotunnel
Eurostar International Limited (Depot Facility Owner)

3.2.3 Further Information

Further details about HS1 can be found in the HS1 Sectional Appendix.
The Sectional Appendix is available on the HS1 website:

<https://highspeed1.co.uk/media/3txaz5b5/sectional-appendix-to-the-hs1-rule-book-ref-c-02-os-05-2002.pdf>.

Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

3.3 Network Description

3.3.1 Geographical Identification

3.3.1.1 Track Typologies

HS1 is a double-track railway, including connections with the NR Network (see section 3.2.2), except for the Temple Mills and Dollands Moor connecting lines which are single track, and for the station areas at St Pancras, Stratford and Ebbsfleet which have multiple tracks. All lines are signalled for bi-directional operation, except for the Waterloo connection which is unidirectional operation. Additionally, loops are provided for train regulation purposes on both up and down lines at Singlewell and Lenham and within the multiple-track layouts at Stratford and Ebbsfleet stations.

3.3.1.2 Track Gauge

The nominal track gauge is 1,435mm.

3.3.1.3 Stations and Nodes

St Pancras International Station (except as described in section 3.2.1 above), Stratford International Station, Ebbsfleet International Station and the international section of Ashford International Station are owned by the Infrastructure Manager and (except as described in section 3.2.1 above) form part of HS1.

St Pancras International Station

St Pancras International Station is located in the northern fringe of central London and has thirteen platforms. Six platforms (nos. 5 to 10 inclusive) are for use by international services. Four platforms (nos. 1 to 4 inclusive) are for use by domestic services on the NR Network to major towns and cities in the North. Three platforms (nos. 11 to 13 inclusive) are for use by high-speed domestic services to and from Stratford, Ebbsfleet, Ashford and North and East Kent. Platforms 1-13 are elevated above ground level, and all are accessible via escalators, lifts or stairs. Platforms 1-10 are also level access from certain station entrances, despite being elevated above ground level.

The lengths of the platforms at St Pancras International Station are shown in the table below:

| Platform | Length from the buffer stops to the top of the ramp (metres) | Useable length after allowing for a stopping distance from the buffer stops (metres) |
|---------------------------------|---|---|
| International Platforms (5-10) | 434.93 | 424.93 |
| Domestic Platforms (1-4, 11-13) | 294 | 284 |

There is an area within the station for international arrivals and departures (for customs and border control), two sets of public toilets, large public concourse areas on the ground floor and at platform level, approximately 60 retail units, arrival and departure passenger information screens, direct access to the NRIL low-level station for Thameslink services to Brighton and Bedford, a public car parking facility and direct access to London Underground. There are concourses and platforms for Midland Main Line services, which operate on the NR Network, but the station facilities for these are part of HS1.

St Pancras International Station is subject to weight limitations and certain types of freight traffic may not be permitted into the station. For further information please contact the Infrastructure Manager.

Stratford International Station

Stratford International Station is located in East London and has four platforms: two for international services (platforms 1 and 4) and two for high-speed domestic services (platforms 2 and 3). Platforms are located below ground level and reached by escalators and lifts.

The lengths of the platforms at Stratford International Station are shown in the table below:

| Platform | Nominal Length (metres) |
|-------------------------------|--------------------------------|
| International Platforms (1&4) | 410 |
| Domestic Platforms (2&3) | 290 |

There are public toilets, large public concourse areas, international arrivals and departures areas, arrival and departure passenger information screens and a number of retail units. It should be noted that whilst the station is designed for international use, it is not currently operating as such, and will require some fit-out work to facilitate this.

Ebbsfleet International Station

Ebbsfleet International Station is located near Dartford in North Kent, and has six platforms: two for international trains (platforms 1 and 4), two for high speed domestic trains adjacent to the international platforms (platforms 2 and 3) for services towards Ashford and two for the North Kent high speed domestic services (platforms 5 and 6), sited on the North Kent connecting line. The international platforms and adjacent domestic platforms are accessible by escalators, lifts or stairs. The North Kent domestic platforms are accessible by lift or stairs.

The lengths of the platforms at Ebbsfleet International Station are shown in the table below:

| Platform | Nominal Length (metres) |
|-------------------------------|--------------------------------|
| International Platforms (1&4) | 410 |
| Domestic Platforms (2&3, 5&6) | 290 |

There are public toilets, a large public concourse area at ground floor level, a public car parking facility for up to 5,000 vehicles, international arrivals and departures areas, arrival and departure passenger information screens and a number of retail units.

Ashford International Station

The international section of Ashford International Station is located in Ashford in Kent, and has two platforms for international services only (nominal platform lengths being 412m), public toilets, international arrival and departure areas, a large public concourse area, a number of retail units, arrival and departure passenger information screens and a number of public car parking facilities.

Ashford International Station is operated by Mitie. SE Trains is the station facility operator of the domestic section of Ashford International Station which is part of the NRIL infrastructure.

| Platform | Nominal Length (metres) |
|-------------------------------|--------------------------------|
| International Platforms (3&4) | 412 |
| Domestic Platforms (1&2) | 247 |

3.3.2 Capabilities

3.3.2.1 Loading Gauge

The structure gauge is as follows:

- UIC "GC" on HS1; and
- UIC "GB+" on Ashford connecting lines on the NR Network.

The track interval is not less than 4.5m between the centre lines of adjacent tracks, where the speed capability is greater than 230km/h.

Trains calling at Ashford International Station will have to comply with NRIL requirements, although the international platforms (3&4) have been altered to accommodate UIC GB vehicles only. The network statement published by NRIL with respect to the NR Network can be found on the NRIL website. Domestic platforms at St. Pancras International Station, Stratford International Station and Ebbsfleet International Station are at the UK standard platform height of 915mm, whereas international platforms are at the TSI (high speed) infrastructure compliant platform height of 760mm. The route between Fawkham Junction and Southfleet Junction (Waterloo connection) is at UK standard structure gauge (W6/W6A) for lines up to 165km/h with 380mm passing clearance.

Please also refer to Section 3.3.1.2 for further details.

3.3.2.2 Weight Limits

| | Maximum Static Load |
|------------------------------|----------------------------|
| Section 1* | 17t/axle |
| Section 2** | 17t/axle |
| Loco hauled freight train*** | 22.5t/axle |

* Section 1 is the part of HS1 between Fawkham Junction/Southfleet Junction and Cheriton (Channel Tunnel boundary).

** Section 2 is the part of HS1 between St Pancras International Station and Southfleet Junction.

*** Includes loco assisting a passenger train.

3.3.2.3 Line Gradients

The maximum gradient is 2.50% (1 in 40). Due to this maximum gradient, trains composed of vehicles fitted with standard UIC 850KN couplings will be limited to a maximum trailing load of 1,100 tonnes. Details of gradients along the route may be requested from the Infrastructure Manager. Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

3.3.2.4 Line Speeds

The Infrastructure Manager will operate and maintain HS1 in such a way so as to provide the following line speeds on HS1:

| | International Passenger Trains | Domestic Passenger Trains | Freight Trains*** |
|-------------|---------------------------------------|----------------------------------|--------------------------|
| Section 1* | 300 km/h | 225 km/h | 140 km/h |
| Section 2** | 230 km/h | 225 km/h | 140 km/h |

* Section 1 is the part of HS1 between Fawkham Junction/Southfleet Junction and Cheriton (Channel Tunnel boundary).

** Section 2 is the part of HS1 between St Pancras International Station and Southfleet Junction.

*** Includes loco assisting a passenger train.

Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

3.3.2.5 Maximum Train Lengths

Maximum train lengths (excluding exceptional transports):

- International Passenger 400m
- Domestic Passenger 276m
- Freight 750m (including locomotives)*

* local length restrictions below this figure may apply at St Pancras International Station. St Pancras International Station cannot facilitate freight trains except under very restricted conditions.

Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

3.3.2.6 Power Supply

Power is supplied from the overhead catenary system which is compliant with the Energy (High Speed) TSI at 25kV/50Hz AC. The contact wire height above rail level is generally set at 5.08m.

However, the wire height through Ashford International Station platforms is set at a minimum of 4.68m.

The principal characteristics of the power supply system are as follows:

| Description | Performance |
|------------------------------|-------------------------------|
| Nominal voltage | 25kV |
| Maximum voltage (continuous) | 27.5kV |
| Minimum voltage (continuous) | 19kV |
| Nominal frequency | 50Hz |
| Maximum fault current | 12kA (6kA in St Pancras area) |

Pantographs are to comply with EN 50206 or other pantographs as approved by the Infrastructure Manager from time to time. The pantograph configuration must be in accordance with Annex D of the Energy TSI. [Regenerative braking may be supported by the 25kV AC, but subject to full appraisal].

The power supply at the North Kent line connection, and the Ashford domestic connecting lines, is through conventional NRIL 750V DC third rail system.

3.3.3 Traffic Control and Communication Systems

The ACC is the combined traffic control, signalling control, electrical control and a communication centre for HS1 and is responsible for all day-to-day railway operating activities.

3.3.3.1 Signalling Systems

The TVM430 in-cab system is used throughout HS1, except at interfaces with the NR Network, where TVM interfaces with standard UK lineside signalling. KVB signalling is operational at Ashford International Station as of April 2018. St Pancras International Station and its approaches are controlled by lineside signalling. Rolling stock must be fitted with one or more of the following train control systems and configured for operation on HS1:

- (a) TVM430 or ERTMS/ETCS with STM;
- (b) for all connecting lines onto the NR Network, AWS/TPWS is needed, with the exception of Ashford International Station platforms 3&4 where KVB is needed; and
- (c) for St Pancras International Station and its approaches, KVB is required.

Please also refer to section 3.4 for more details.

3.3.3.2 Traffic Control System

Trains on HS1 are regulated according to train regulation policies agreed in accordance with Part H of the HS1 Network Code. Traffic is regulated by the management of real time performance. The ACC operates the overall traffic management system which contains the following:

- (a) automated route setting;
- (b) automated conflict resolution; and
- (c) train graphing technology for perturbation management and very short term train planning (VSTP).

3.3.3.3 Communication System

GSM-R is installed throughout HS1, and must be used by both domestic and international train operators.

3.3.3.4 Automatic Train Control Systems (ATCS)

The automatic train control systems on HS1 are as follows:

| | |
|--|--|
| Passenger trains operating on HS1 | TVM 430 plus KVB |
| Freight trains operating on HS1 | TVM 430 plus compatibility to operate APC magnets located on HS1 |
| Freight trains requiring access to St Pancras International Station | Only permitted under special arrangements |
| Trains intending to operate in addition across the NR Network/ HS1 interface | AWS/TPWS compliant with Railway Group Standard GE/RT8030 |
| Trains fitted with ERTMS/ETCS | STM required to interface with TVM 430 |

It is mandatory for all locomotives operating on HS1 infrastructure to be equipped with these systems.

Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

3.4 Traffic Restrictions

3.4.1 Specialised Infrastructure

Following consultation, HS1 has been declared as Specialised Infrastructure as described in Directive 2001/14/EC Article 24 and Regulation 25 of the Rail Regulations 2016.

The effect of the declaration is that HS1 is designated for use by specified types of rail service and may give priority to that specified type of rail service in the allocation of capacity. These priorities are as follows (from highest to lowest):

- (a) High Speed International Passenger Trains;
- (b) High Speed Domestic Passenger Trains;
- (c) Other Trains.

3.4.2 Environmental Restrictions

TOCs are required to provide the Infrastructure Manager with copies of their current environmental policy and environmental management systems. A TOC's environmental policy must have due regard to the environmental policy of the Infrastructure Manager and must adopt good industry practice in relation to energy efficiency. Further environmental restrictions applicable to HS1 can be found in Part E of the HS1 Network Code. Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

Rolling stock must be configured so that EMC emissions comply with adjacent NRIL and Channel Tunnel requirements as appropriate, as well as those of HS1.

3.4.3 Dangerous Goods

There are no sections of line where Dangerous Goods are not permitted, with the exception of Temple Mill Depot where Eurostar International Limited is the Depot Facility Owner. Please refer to section 2.6 for more detail.

3.4.4 Tunnel Restrictions

Tunnel restrictions on HS1 apply as follows:

- (a) Emissions (particularly in respect of tunnels) must be assessed through the Rolling Stock Acceptance Process unless in the event of an emergency. Please refer to section 2.7 for further details; and
- (b) HS1 tunnels have been designed for a certain aerodynamic specification. Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

3.4.5 Bridge Restrictions

Bridge restrictions on HS1 apply. In the event of extreme high winds (i.e. wind speeds over 160km/h), a speed restriction will be placed on the Medway Viaduct. Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

3.5 Availability of the Infrastructure

HS1 remains closed on 25 December every year. However, the TOCs may apply to operate train services on this day and the Infrastructure Manager may accommodate such requests.

For further restrictions on the availability of HS1, please refer to Engineering Access Statement as set out in section 2.4.6.

3.6 Service Facilities

3.6.1 Passenger Stations

Station information and facilities

Please refer to section 3.3.1.3 for descriptive information about the Stations.

Station Access Charges

Train Operators wishing to stop at Stations along the HS1 route are required to enter into a Station Access Agreement (for each relevant Station). This provides the TOC with rights to stop at the Station in question, and sets out the conditions and relevant charges. The applicable charges for services stopping at a Station are the Long Term Charge ("LTC") and Qualifying Expenditure ("Qx").

Long Term Charge ("LTC")

LTC covers expected expenditure on asset repair and renewal activities at Stations over a 40 year horizon. The principle is that over 40 years, the LTC income will be sufficient to fund the necessary expenditure on these activities. LTC is a fixed annual amount indexed annually by RPI. LTC for each Station is apportioned between the TOCs using the Station based on a combination of vehicle departures and the relative size of the international, domestic and common areas at the Station.

Qualifying Expenditure ("Qx")

Qx covers the station operating and maintenance expenditure incurred by (e.g. costs associated with maintenance, station staff, cleaning, security and utilities).

Qx is determined separately for each Station each year using a transparent best estimates process through which costs are estimated by the station operator and agreed with the TOCs. Payments are based on the annual best estimate with a wash-up every six months to reflect the difference between estimated and actual costs.

The costs are apportioned between the TOCs using the Station based on a combination of vehicle departures and the relative size of the international, domestic and common areas at the Station.

3.6.2 Freight Terminals

Dollands Moor Freight Yard: DB Cargo (UK) Limited ("DBC") is the facility owner of this railway freight yard near Folkestone in Kent. It has eight roads in the yard with an additional 5 roads which are through lines and run-round loops. All lines are electrified at 25Kv overhead wires and connections to the west of the yard are also dually electrified with a third rail (750v). This is to allow access to the South-Eastern Main Line at Saltwood Junction just to the east of Sandling Station.

You can find the Dollands Moor Freight Yard Service Facility Description on the DBC website. The information is contained in the table on page 1 of the document, in the row titled "Dollands Moor EFOC":

<https://uk.dbcargo.com/resource/blob/5569384/c1a70e2dd61ad6d86c3b712b897e21bf/Location-List-for-Access-Ancillary-Services-data-data.pdf>

Please contact DBC for further information at the address set out in section 1.8.4.

3.6.3 Marshalling yards and train formation facilities, including shunting facilities

Ripple Lane Exchange Sidings are part of HS1 and may be used for certain types of train movements.

The charges applicable to trains using Ripple Lane are set out in section 6.3.

3.6.4 Storage Sidings

Save as expressly provided below, the Infrastructure Manager will normally restrict access to the sidings described below to network services or to defective rolling stock which is awaiting retrieval.

There is a short network service maintenance siding at St Pancras International Station connecting HS1 with the NR Network (Midland Main Line); however there are restrictions placed upon its use for commercial passenger and freight movements.

Ripple Lane Exchange Sidings are part of HS1 and may be used for certain types of train movements. The charges applicable to trains using Ripple Lane are set out in section 6.3.

There are two turnback sidings located in Church Path Pit (Ebbsfleet International Station).

There are head-shunts (i.e. short sidings which could be used for berthing of network service trains, crippled wagons etc.) at the country end of the Up Loop at Singlewell and at both ends of the Up Loop at Lenham Heath.

Further details about HS1 can be found in the HS1 Sectional Appendix. The Sectional Appendix is available on the HS1 website:

<https://highspeed1.co.uk/media/3txaz5b5/sectional-appendix-to-the-hs1-rule-book-ref-c-02-os-05-2002.pdf>.

Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

3.6.5 Maintenance Facilities

See section 3.6.10

3.6.6 Other Technical Facilities

See section 3.6.10

3.6.7 Maritime and inland port facilities

None available on HS1.

3.6.8 Relief Facilities

None available on HS1.

3.6.9 Refuelling Facilities

None available on HS1.

3.6.10 Other Facilities

Ashford Depot

Ashford Depot has facilities which can undertake berthing, light servicing, light and heavy maintenance of train sets. Ashford Depot was operated by Hitachi Europe Limited, which is a major user of the depot. Ashford Depot is now operated by Southeastern. This depot is not part of HS1.

If you would like to gain access to Ashford Depot, please contact Southeastern for further information at the address set out in section 1.8.3. The relevant website is: <https://www.southeasternrailway.co.uk>.

Please note that in order to access Ashford Depot you need to sign a Track Access Agreement with NRIL.

Southeastern are currently producing a facility description for Ashford Depot. The facility description will be made available on the HS1 website when it is published.

Temple Mills Depot

The Eurostar Engineering Centre Temple Mills is a maintenance depot located at Temple Mills, north of Stratford, London with facilities that include the berthing, light maintenance and light servicing of train sets and is compatible with Class 373 and Class 374 high speed trains.

Temple Mills Depot is connected to the HS1 rail infrastructure by a track near Stratford International.

EIL is the Depot Facility Owner of Temple Mills Depot.

EIL has produced a TMI Service Facility Description which is available on the HS1 website. This document contains further information on the facility and obtaining access. It is available at: <https://highspeed1.co.uk/media/kpfrhm2h/eil-tmi-sfd-final-2022-v1.pdf>

Requests for access to Temple Mills Depot must be submitted in writing, in the form prescribed, and to the address provided in section 1 of the TMI Service Facility Description.

Enquiries about Temple Mills Depot that do not constitute or otherwise form part of requests for access to the depot, may be made in writing to the EIL contact provided in section 1.8.2.

4 CAPACITY ALLOCATION

4.1 Introduction

In accordance with the Rail Regulations 2016, the Infrastructure Manager will ensure that capacity on HS1 is allocated in a fair and non-discriminatory manner. Annex 5 details the timetable

development schedule for the effective timetable on the Principle Change Date (December 2024) and Subsidiary Change Date (May 2025).

4.2 Description of Process

4.2.1 As contemplated by Regulation 21 of the Rail Regulations 2016, the reservation of capacity on HS1 will be undertaken by the Infrastructure Manager through entering into a Framework Track Access Agreement (the process for the approval of the Framework Track Access Agreement is captured in the 'ORR's Criteria and Procedures for the Approval of Framework Agreements for HS1') or a Track Access Agreement with the relevant Applicant. The capacity rights under a Framework Track Access Agreement or a Track Access Agreement are translated into Train Slots in the timetable through the timetabling process. On entering a Framework Track Access Agreement, the Applicant will request and agree an amount of guaranteed capacity on HS1 for the duration of the Agreement ("Firm rights"), subject to sufficient use of that capacity as described in Conditions J1 and J2 of the HS1 Network Code. Details of the timetabling process are found in Part D of the HS1 Network Code and described in section 4.4.1 below. The Network Code is available on HS1's website at: <https://highspeed1.co.uk/regulatory/key-regulatory-documents>.

The Applicant will provide a Priority Date Notification Submission (PDNS) form to the Infrastructure Manager in accordance with The Network Code Access Condition D2.4. The PDNS form can be requested from NRIL via the following e-mail: Andy.Brunning@networkrail.co.uk

Requests for capacity should include the following information:

- (a) the dates on which Train Slots are intended to be used;
- (b) the start and end points of the train movement;
- (c) the intermediate calling points;
- (d) the times of arrival and departure from any point specified under paragraphs (b) and (c) above;
- (e) the railway vehicles or Timing Load to be used;
- (f) any required train connections with other railway passenger services;
- (g) the proposed route;
- (h) any proposed Ancillary Movements;
- (i) any required platform arrangements at the start, end and all intermediate calling points;
- (j) any relevant commercial and service codes; and
- (k) the proposed maximum train speed and length and, in relation to a freight train, the proposed maximum train weight.

At D-36 Applicants will submit the PDNS forms as an initial bid. At D-26 NRIL will produce draft abacus prints and at D-22 NR (HS) and TOC's should receive formal communication from NRIL of the D-22 Offer. This offer will include:

- A statement of the formal offer and publication of the timetable.
- Abacus prints as of all Eurostar & SET services offered at D-22.
- Details on the flexing of trains. (if any trains need to be amended due to a clash, planning rules or SRT issues)

For more information on the timetable development process see table in ANNEX 5.

4.2.2 Where an Applicant has requested and has been allocated capacity on HS1 in accordance with Regulation 22(1) or 24(1) of the Rail Regulations 2016 and it has not entered into a Framework Track Access Agreement, it will be required to enter into a Track Access Agreement with the Infrastructure Manager. The Track Access Agreement will expire at the end of the relevant Timetable Period and will only reflect the capacity which has been allocated to that Applicant through the timetabling process (i.e. the train paths allocated to that Applicant for the relevant Timetable Period).

4.2.3 Where an Applicant is requesting capacity on HS1 to operate freight services during the period of night under the Framework Track Access Agreement, it will do so using a catalogue path allocation system. In 2012, the Infrastructure Manager consulted the industry on the rules and principles of the catalogue path system. The catalogue path allocation system will be implemented after the Applicant has entered into a Framework Track Access Agreement with HS1.

The catalogue path allocation system will have pre-arranged available train paths for the period of a timetable year. An Applicant will be able to bid for a train path in accordance with the access rights in the Framework Track Access Agreement. The catalogue of available train paths will be published once in each timetable year and revised as and when additional train paths are identified. The catalogue paths will be entered into the Timetabling Planning Rules consistent with the dates set out for the wider timetabling process at Annex 5.

4.3 Schedule for Path Requests and Allocation Process

The Infrastructure Manager follows the process and timeline for scheduling path requests as specified in Part D of the HS1 Network Code.

4.3.1 Schedule for Working Timetable

Part D of the HS1 Network Code sets out the procedures by which the Working Timetable, Engineering Access Statement and Timetabling Planning Rules may be changed. Although changes may be made to the Working Timetable at any time, significant changes in the Passenger Timetable may be made only twice a year, namely at the dates referred to as the Principal Change Date and the Subsidiary Change Date. The relevant dates are set out in Annex 5.

4.3.2 Schedule for requests for train paths outside the timetabling process (Ad-Hoc Requests)

Where TOCs wish to obtain additional train paths or amend any of their existing paths, the Infrastructure Manager will endeavour to process such requests in line with the process used for Variations to the Working Timetable as set out in Condition D3 of the HS1 Network Code, and described in section 4.4.1 below.

Where a TOC is seeking an additional train path in excess of the capacity it has reserved in its Framework Track Access Agreement or Track Access Agreement, a supplemental agreement would be required to grant the additional rights. If the supplemental agreement constituted a framework agreement under the Rail Regulations 2016 or amended the existing Framework Track Access Agreement, the Infrastructure Manager and the TOC would need to obtain the approval of the ORR. Any ad-hoc path requests will be responded to within 5 working days.

The procedures for scheduling planned and unforeseen maintenance work are in accordance with Part D3 of the HS1 Network Code, specifically the HS1 Ltd Variations (Paragraphs 3.4 and 3.5).

4.4 Allocation Process

4.4.1 Co-ordination Process

Each year at or before the start of the timetable development process there will be a dialogue between the Infrastructure Manager and each Applicant regarding the base timetable. Each Applicant will notify the Infrastructure Manager of any changes to the base timetable Train Slots

that it seeks to make. Regulation 19 of the Rail Regulations 2016 requires an Applicant that applies for infrastructure capacity with a view to operating an international passenger service to give a notice of that fact to the Infrastructure Manager and the ORR and provide them with such information as the ORR may reasonably require or prescribe. Coordination across multiple IMs for international path requests is done through the Path Coordination System discussed in section 1.10.2.1. In short, PCS is a web application provided by RNE to IMs, ABs, RFCs, RUs and non-RU Applicants, which handles the communication and co-ordination processes for international path requests and path offers. PCS also assists RUs and non-RU Applicants in their pre-co-ordination tasks related to train path studies and international train path requests. Network Rail's domestic system is connected to the RNE Path Coordination System.

Following the issue of the base timetable, the Infrastructure Manager will consult with the Applicants for establishing the Working Timetable. New Applicants requiring a copy of the base timetable should contact the Infrastructure Manager at the address set out in section 1.8.1. Applicants with Framework Track Access Agreement(s) with the Infrastructure Manager must, on or before a specified date known as the priority date (D-36 as shown in Annex 5), notify the Infrastructure Manager of the Train Slots they wish the Infrastructure Manager to timetable in the Working Timetable from the capacity reserved by them in their Framework Track Access Agreement(s). Applicants not having a Framework Track Access Agreement with the Infrastructure Manager shall also notify their aspirations for timetabled Train Slots.

Taking into account the notifications made by the Applicants and the decision criteria set out in Condition D4 of the HS1 Network Code, the Infrastructure Manager will prepare and issue a draft timetable. The decision criteria firstly take into account the Order of Priority in the allocation of capacity:

- a) first, high speed international passenger trains (trains crossing more borders take priority);
- b) second, high speed domestic passenger trains;
- c) and third, other trains.

And secondly, the considerations which seek to achieve the objective of sharing the capacity on HS1 for the safe carriage of passengers and goods in the most efficient and economical manner in the overall interest of current and prospective users, providers and funders of railway services.

Following the issue of the draft timetable, the Infrastructure Manager will continue to work with Applicants to further refine the timetable to include any new aspirations of the Applicants. It is not intended that significant service changes should be introduced at this stage but changes may be introduced to the extent that it is reasonably practicable to do so in the available time. Following such modifications, the Infrastructure Manager will make a formal offer of the proposed New Working Timetable and Applicants will have a right of appeal against the Infrastructure Manager's decisions reflected in that timetable by referring the matter to be determined under the Disputes Resolution Agreement.

Train Operator Variations may be made during the period of operation of a Working Timetable. As a general rule, Train Operator Variations are given priority on a first in time basis; however, the Infrastructure Manager may exercise the Flexing Right to resolve conflicts between Train Operator Variations. If a Train Operator Variation is received by the Infrastructure Manager in relation to a sporting or other public event which, if accepted, would conflict with any Train Slot in the Working Timetable, the Infrastructure Manager shall consult with the TOC entitled to the Train Slot with a view to obtaining its consent to the Infrastructure Manager exercising the Flexing Right to accommodate the Train Operator Variation. If, as a result of exercising its Flexing Right, the Infrastructure Manager is required to make any payment to a TOC under that TOC's Framework Track Access Agreement or Track Access Agreement, the TOC whose Train Operator Variation was accommodated by the exercise of that Flexing Right shall reimburse to the Infrastructure Manager the amount of that payment.

Each year, at the start of the timetable development process, the Infrastructure Manager is obliged to review the applicable Engineering Access Statement and applicable Timetabling Planning Rules and decide if any amendments should be made in respect of the period of the annual timetable commencing on the next Principal Change Date. In addition, each year, at the start of the process for development of the timetable changes applying from the Subsidiary Change Date, the Infrastructure Manager is obliged to undertake a more limited review of the applicable Engineering Access Statement and the applicable Timetabling Planning Rules 4.4.1.7. In respect of each Timetable Week, where the Infrastructure Manager requires restrictions of use in order to undertake engineering work on HS1, the Infrastructure Manager will notify TOCs of the changes it proposes to make to the allocation of capacity and timetable structure in the relevant week and whether it requires TOCs to submit Revised Access Proposals for timetable slots for that week. The Infrastructure Manager in consultation with TOCs will then compile a revised timetable taking into account any Revised Access Proposals received in the same timescale.

4.4.2 Dispute Resolution Process

See section 1.4.3 for information on the appeals procedure in relation to the capacity allocation and coordination processes. The HS1 Access Disputes Resolution Rules are available at: <https://highspeed1.co.uk/regulatory/key-regulatory-documents>

4.4.3 Congested Infrastructure; Definition, Priority Criteria and Process

Under regulation 26 of the Rail Regulations 2016, the Infrastructure Manager must declare the relevant element of HS1 to be congested if:

- (a) after the co-ordination of requests for capacity and consultation with the Applicants in accordance with regulation 23(4), it is not possible for the Infrastructure Manager to satisfy requests for infrastructure adequately; or
- (b) during the preparation of the Working Timetable for the next timetable period, the Infrastructure Manager considers that an element of HS1 is likely to become congested during the period to which that Working Timetable relates.

HS1 is currently not a congested network within the above definition.

In the event that all or part of HS1 becomes congested, the Infrastructure Manager will follow the process set out in regulation 26 of the Rail Regulations 2016 to manage the congestion. The process comprises of the identification of the areas/times of congestion, capacity analysis, developing an understanding of the options with a capacity enhancement plan, and consulting with all affected parties. As noted in section 6, the Infrastructure Manager may impose a congestion tariff to manage congested infrastructure.

Where HS1 has been declared congested under the Rail Regulations 2016, Condition J3 of the HS1 Network Code obliges the Infrastructure Manager and each TOC to work together with a view to developing amendments to the HS1 Network Code the purpose of which is to ensure that the Infrastructure Manager is not in breach or default due to such congestion.

4.4.4 Impact of Framework Agreements and Framework Capacity Statement

Framework Track Access Agreements contain detail of the capacity allocated to that Operator, however the specific train path is determined through the timetabling process, and is subject to the process discussed in section 4.4.1.

Before concluding a new Framework Track Access Agreement or extending or substantially increasing the framework capacity of an existing Framework Track Access Agreement, the Infrastructure Manager shall take into account the following:

- (a) securing optimum use of available infrastructure capacity, including the use of other networks, taking account of planned capacity restrictions;
- (b) the legitimate commercial needs of the Applicant where the Applicant has demonstrated that it has the actual intention and ability to use the capacity requested in the Framework Track Access Agreement;
- (c) the needs of passengers, the freight sector and investors, including State entities and other public and private entities;
- (d) ensuring non-discriminatory access to infrastructure and taking into account the availability of the related facilities and services supplied in these facilities as far as this information is made available to the Infrastructure Manager;
- (e) the funding of the Infrastructure Manager and the future development of the network;
- (f) promoting efficiency in the operation of infrastructure and as far as possible related facilities, including planned maintenance, enhancement and renewals;
- (g) the capacity requirements of international rail freight corridors as provided for in Article 14 of Regulation (EU) No 913/2010;
- (h) ensuring proportionate, targeted, transparent, fair and sufficiently resourced management of the network;
- (i) previous failure, if any, to use framework capacity and the reasons for that failure as set out in Article 11(2) and (3) of Regulation (EU) No 2016/545;
- (j) the priority criteria applying to the path allocation in the timetabling procedure, as referred to in Article 47 of Directive 2012/34/EU and declarations of congested infrastructure;
- (k) if applicable, the need to ensure the long-term financial performance of public transport provided under a public service contract.

Any operators which are party to a Framework Track Access Agreement and do not utilise the contracted capacity for the operation of services will be required to pay the Capacity Reservation Charge. See section 6.2 for more detail.

Services are currently operated on HS1 by Southeastern (domestic high speed services) and Eurostar (International high speed services). The maximum speed of these services differs, which has the effect of reducing capacity on the line (relative to all operators running at maximum line speed). Nevertheless, in general there is significant capacity available for additional services to run in the off-peak hours, with some limited capacity available during peak hours. The Infrastructure Manager will always seek to optimise timetabling in order to ensure maximum utilisation of capacity on HS1. The exact capacity available to any Applicant would be dependent on the nature of the service they wish to run – including operating speed and stopping patterns.

4.5 Allocation of Capacity for Maintenance, Renewal and Enhancements

The process for establishing the allocation of capacity for maintenance, renewal and enhancements through the Engineering Access Statement is described in section 2.6.1.5 and the integration of these arrangements into timetable development is addressed in section 4.4.1.

The Engineering Access Statement is available at: <https://www.networkrail.co.uk/industry-and-commercial/information-for-operators/>

Where it is necessary to refine the established Engineering Access Statement in order to deal with short-term changes relating to individual Possessions on HS1, either the Infrastructure Manager or

TOCs may propose changes to the Engineering Access Statement through a process which is contained in Part D of the HS1 Network Code.

The relevant Framework Track Access Agreement or the Track Access Agreement will set out the provisions for the compensation to be payable by the Infrastructure Manager when it seeks to place restrictions of use on HS1 for the purposes of carrying out inspections, maintenance, repair, renewal and enhancement works on HS1.

Under the Possessions regime applicable on HS1, the relevant TOC will be entitled to recover its direct costs arising from a restriction of use placed by the Infrastructure Manager. The direct costs recoverable by a TOC for any restriction of use (other than a competent authority restriction of use and a network change restriction of use) each year are capped at 1% of an amount equal to the aggregate of total IRC and OMRC payable by such TOC in the relevant year in the case of a passenger TOC and 1% of the aggregate Freight OMRC payable by such TOC in the relevant year in the case of a freight TOC.

4.6 Non-Usage/Cancellation Rules

Part J of the HS1 Network Code provides a mechanism for a “use it or lose it” regime for HS1 which will enable the Infrastructure Manager to alter access rights held in a Framework Track Access Agreement where capacity is not being used. See the HS1 Network Code on HS1’s website: <https://highspeed1.co.uk/regulatory/key-regulatory-documents>.

Under this mechanism capacity can be made available to other users if any TOC fails to bid for Train Slots as part of a timetabling process for two consecutive timetable years commencing on or after 12th December 2021 unless the TOC has a reasonable, commercial need for the unused capacity.

It will also require the surrender of Train Slots which are allocated but are not being utilised and such non-use exceeds certain thresholds. For the purposes of Regulation 29(1) of the Rail Regulations 2016 the threshold quota is as set out in Condition J2.2.1 of Part 5 of the HS1 Network Code:

A Failure to Use in relation to a Train Slot of a Train Operator (the "First Train Operator") occurs where HS1 Ltd considers (acting reasonably based on reasonable evidence) that:

- (a) another Train Operator would utilise the First Train Operator's Train Slot on 50% or more of the occasions when it is available in any 28 day period; and
- (b) the First Train Operator utilises that Train Slot on less than 50% of the occasions when it is available in any 28 day period;

This is particularly relevant in circumstances where HS1 has declared all or part of the route as Congested Infrastructure.

In case of such failure to bid for Train Slots or failure to use allocated Train Slots, the relevant TOC will be granted a rebate on its access charges.

Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

4.7 Exceptional Transports and Dangerous Goods

The TOC is obliged to state whether the transport that it wants to run has a load of such nature that it must be run as an exceptional transport, or if the individual train is carrying dangerous goods as well as if the train itself is classified as a danger class. Please refer to sections 2.6, 3.4.3 and 5.4.3 for further details.

4.8 Special Measures to be taken in the Event of Disruption

4.8.1 Principles

The measures to be undertaken in the case of disruption or anticipated disruption so as to sustain, and where necessary restore, operation of train services on HS1 in accordance with the Working Timetable are set out in Part H of the HS1 Network Code.

4.8.2 Operational Regulation

When a Disruptive Event occurs, the Infrastructure Manager will determine the appropriate actions to restore the Working Timetable as soon as is reasonably practicable, taking into account the needs of passengers and freight customers, the interests of safety and security and the efficient and economic operation of trains and HS1. TOCs are required to co-operate as regards such actions, which may include the provision of trains/locomotives and train crew to clear the line. The Infrastructure Manager will lead the process of development and maintenance of contingency plans and codes of practice which can be implemented in cases of Disruptive Events. Where a Disruptive Event is expected to continue for an extended period it is usual for an amended timetable to be prepared by the Infrastructure Manager in consultation with the affected TOCs.

For more information on incident management of International Disruptive Events please refer to the “European Rail Infrastructure Managers Handbook for International Contingency Management”, available on the RNE website:

https://rne.eu/wp-content/uploads/International_Contingency_Management_Handbook_final_v1.5.pdf

5 SERVICES

5.1 Introduction

Regulation 6(1) and 6(2) of the Rail Regulations 2016 oblige the Infrastructure Manager to provide the following services to the TOCs:

- (a) the minimum access package (as set out in section 5.2 below); and
- (b) track access to service facilities and the supply of services (as set out in section 5.3 below).

Regulation 6(5) of the Rail Regulations 2016 provides that an infrastructure manager may offer and provide the additional services as set out in section 5.4 below.

Regulation 6(6) of the Rail Regulations 2016 provides that a TOC may request the supply of any of the ancillary services as set out in section 5.5 below from an infrastructure manager but the infrastructure manager is under no obligation to supply the services requested.

5.2 Minimum Access Package

The minimum access package as described in schedule 2 of the Rail Regulations 2016 comprises the following:

- (a) handling of requests for infrastructure capacity; and
- (b) the right to utilise capacity which is granted, in particular:
 - (i) the right to use running track points and junctions as are necessary to utilise that capacity;

- (ii) train control including signalling, regulation, dispatching and the communication and provision of information on train movements; and
- (iii) all other information required to implement or operate the service for which capacity has been granted.

5.3 Access to Service Facilities and Supply of Services

5.3.1 Access to Service Facilities

5.3.1.1 Passenger stations

Please refer to section 3.3.1.3 for further details.

5.3.1.2 Freight Terminals

Please refer to section 3.6.2 for further details.

5.3.1.3 Marshalling Yards and train formation facilities including shunting facilities

Please refer to section 3.6.3 for further details.

5.3.1.4 Storage sidings

Please refer to section 3.6.4 for further details.

5.3.1.5 Maintenance facilities

The infrastructure maintenance depot for HS1 is located at Singlewell. This is not a Rolling Stock maintenance facility – it is operated by NR(HS) for infrastructure related maintenance. Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

Please refer to section 3.8.3 for further information on the facilities off HS1.

5.3.1.6 Other technical facilities, including cleaning and washing facilities

Please refer to section 5.3.1.5.

5.3.1.7 Maritime and inland port facilities

Does not apply to HS1.

5.3.1.8 Relief facilities

Does not apply to HS1.

5.3.1.9 Refuelling facilities

Does not apply to HS1.

5.3.2 Supply of services in service facilities

5.3.2.1 Shunting

Does not apply to HS1.

5.3.2.2 Other services

Does not apply to HS1.

5.4 Additional Services

5.4.1 Traction Current

Traction electricity will be supplied to the TOCs by the Infrastructure Manager to facilitate the access rights granted to a TOC under the relevant Access Agreements. Please also refer to section 3.3.2.6 for further details.

5.4.2 Services for Trains (Preheating, Water Supply, Toilet Waste Handling, etc.)

There are catering shore-base facilities at St Pancras International Station and shore supplies for watering on Platforms 1-4 at St Pancras International Station. Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

5.4.3 Services for exceptional transports and dangerous goods

A risk assessment service in respect of compatibility with HS1 may be provided by the Infrastructure Manager as part of the route acceptance procedure for exceptional transport and dangerous goods.

5.4.4 Other Additional Services

Not provided on HS1.

5.5 Ancillary Services

5.5.1 Access to telecommunication network

TOCs have access to the HS1 Data Transmission Network. This includes the telecoms between stations, passenger information systems, HS1 route information systems. Please contact the Infrastructure Manager at the address set out in 1.8.1 for more information.

5.5.2 Provision of Supplementary Information

There will be a charge for the provision of supplementary information which will be assessed on the nature and scope of the information being requested.

5.5.3 Technical Inspection of Rolling Stock

Technical inspection of Rolling Stock is possible at the Temple Mills Depot. Please contact EIL for further information at the address set out in section 1.8.2.

5.5.4 Ticketing Services in Passenger Stations

HS1 provides space within the stations for ticketing facilities, but it is the responsibility of the TOCs to staff these facilities and offer the sale of tickets.

5.5.5 Light Maintenance Facilities

Please refer to section 3.6.10 for details of facilities at Ashford Depot and Temple Mills Depot. For further information about these facilities, please contact the relevant party at the addresses set out in sections 1.8.2 and 1.8.3.

5.5.6 Other Ancillary Services

Police services for HS1 are procured by the Infrastructure Manager. TOCs make their own arrangements for security on trains. International policing and security arrangements apply for international TOCs who must make their own arrangements in that regard except at the Stations.

Vehicle Health Monitoring Equipment ("VHME") is provided on HS1.

Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

6 CHARGES

6.1 Charging Principles

The Secretary of State has established a charging framework for HS1 under the Rail Regulations 2016. The charges to be paid by the TOCs operating their railway services on HS1 are calculated and charged in accordance with such charging framework. HS1 Ltd has reviewed the charging structure as part of the periodic review process, and concludes that the charging structure is compliant with the Rail Regulations 2016. The ORR's final approval document for CP3 Final Determination confirmed that HS1 Ltd's charging structure is consistent with the Regulations.²

HS1 Ltd reserves the right to require the Applicant to provide credit protection for the benefit of the Infrastructure Manager. This may be by way of:

- a) Advance payments to reduce and anticipate future obligations to pay infrastructure charges; or
- b) Contractual arrangements by which a financial institution such as a bank commits to ensure that such payments are effected once they are due.

HS1 Ltd may request this where the TOCs credit rating suggests that it may have difficulties in effecting regular payments for infrastructure charges. Any such requests will be based on credit ratings not older than two years.

6.1.1 Minimum Access Package

The charges for the Minimum Access Package are set in accordance with the charging structure set out in section 6.2 and section 6.3.

6.1.2 Additional Services

Traction current (EC4T) will be charged in accordance with the charges published on the HS1 website, subject to wash-up:

<https://highspeed1.co.uk/regulatory/access-new-operators>

The charges for Services for Trains are determined annually as part of the Qualifying Expenditure charge for each Station. For more detail please contact the Infrastructure Manager at the address set out in 1.8.1.

6.1.3 Ancillary Services

Please refer to the appropriate contact persons set out in section 5.5.

6.2 Charging System

Passenger TOC

The track access charges to be paid by a passenger TOC for allocation of capacity and use of HS1 (except Stations) comprise the following components:

- a) Investment Recovery Charge;
- b) Operations, Maintenance and Renewal Charge;

² See Section 7. "Charging and incentives" in ORR's 2019 periodic review document: <https://www.orr.gov.uk/media/10668>

- c) Traction Electricity Charge;
- d) Capacity Reservation Charge (including a potential rebate on such charge);
- e) Congestion Tariff;
- f) Other Services Charge;
- g) In the case of Franchised TOCs, the freight supplement; and

Freight TOC

Track access charges to be paid by a freight TOC for freight train services for allocation of capacity and use of HS1 (except Stations) will comprise of the following components:

- a) Freight OMRC;
- b) Traction Electricity Charge;
- c) Capacity Reservation Charge (including a potential rebate on such charge);
- d) Congestion Tariff;
- e) Other Services Charge; and
- f) Ripple Lane Charge.
- g) The OMRC and Freight OMRC elements of track access charges are subject to periodic review by the ORR. Each Periodic Review covers a five year Control Period - HS1 Ltd is currently in the third Control Period (CP3) which ends on 31 March 2025.
- h) In each Periodic Review, HS1 Ltd is required to propose an efficient level of cost for the operations, maintenance and renewal of the infrastructure and the corresponding OMRC and Freight OMRC for the Control Period. The ORR will either approve or determine the costs and level of OMRC and Freight OMRC.

The Secretary of State has, under the terms of the Concession Agreement, appointed the ORR, to monitor the asset stewardship of Stations by HS1 and conduct the periodic review of the LTC levied by HS1 in respect of the Stations. This periodic review process operates in parallel with the route infrastructure periodic review process and covers the same five year control periods. The ORR's role in the LTC periodic review process is similar to its role in the periodic review of track access charges.

6.3 Tariffs

Charges for Passenger Operators

Investment Recovery Charge ("IRC")

Principles

The purpose of the IRC is to recover part of the long term capital costs of the HS1 project (i.e. in accordance with the Second Exemption);

Calculation Methodology

The value of the IRC cap (indexed to RPI) was set by the DfT prior to the commencement of the HS1 concession and is fixed for the duration of the HS1 Concession Agreement.

Approach

The IRC will be charged on the basis of the chargeable journey time spent by a relevant TOC's trains on HS1. The chargeable journey time does not take into account any time scheduled in the Working Timetable for stopping at a Station. This is consistent with the approach of not imposing IRC on the use of the Stations by TOCs.

Volume risk in respect of the IRC rests with the Infrastructure Manager. As part of its strategy to manage this risk, the Infrastructure Manager may introduce schemes granting discounts, with reference to specific traffic flows, to encourage the use of HS1 as permitted by paragraph 6 of schedule 3 of the Rail Regulations 2016. Annex 3 of this Network Statement contains the final discount policy.

Implementation

The IRC per train per minute is £119.95 (April 2023 prices) subject to indexation. Indexation is applied semi-annually based on changes in the retail price index. This is the maximum IRC permitted to be charged under the Secretary of State's charging framework established under the Rail Regulations 2016. For each service group, the IRC per train per minute is multiplied by the chargeable journey time of a train, a discount factor (catering for any applicable discount) and an indexation factor. The resulting figure is then multiplied by the number of timetabled trains in the service group for the relevant period which gives the IRC to be paid by the relevant TOC in respect of that period and service group. Indexation is applied semi-annually based on changes in the retail price index.

The number of chargeable minutes per train to be used in the calculation of IRC will be specified by service group in the Framework Track Access Agreement or the Track Access Agreement for the relevant TOC. Total trains for each period will be calculated on the basis of the timetabled paths for the relevant period (as set out in the New Working Timetable (as defined in Part D of the HS1 Network Code) together with any services operated pursuant to a Train Operator Variation (as defined in Part D of the HS1 Network Code)) and not the actual paths used. The recovered charge will be adjusted annually to take account of the number of additional services operated by a TOC as a result of Train Operator Variations less any scheduled services which could not be operated by that TOC:

- (i) due to a restriction of use;
- (ii) as a result of a Suspension Notice (as defined in the HS1 Passenger Access Terms) being served by the TOC; or
- (iii) as a result of the exercise by the Infrastructure Manager of its rights under Part J of the HS1 Network Code.

The following table shows IRC per passenger train service (April 2023 prices – subject to indexation) on the basis of the chargeable journey times for services currently operating on HS1:

| | International passenger services | Domestic passenger services to Ashford International Station | Domestic passenger services to Ebbsfleet International Station (Up direction) | Domestic passenger services to Ebbsfleet International Station (Down direction) | Domestic passenger services to Springhead Junction |
|-------------------------|---|---|--|--|---|
| Chargeable Journey Time | 31 minutes | 31 minutes | 14 minutes | 15 minutes | 16.5 minutes |
| IRC per train service | £3,718.57 | £3,718.57 | £1,679.36 | £1,799.31 | £1,979.24 |

Additional charges will be calculated in the event of a new train service operating along the route.

Review

In the event that there is further investment in relation to HS1, the Infrastructure Manager will seek to recover this additional investment through an additional IRC, subject to the approval of the ORR. HS1 sought additional investment for GSM-R which resulted in new charges from 1 April 2015 (see “Additional IRC” below).

Current discounts available on HS1

Our approach to providing discounts to IRC over HS1 is set out in Annex 3. Currently, the following discounts are being offered: (i) A discount of 75% for Boxing Day domestic services.

Additional IRC (“AIRC”)

Principles

The purpose of the AIRC is to recover the cost of enhancements to route infrastructure on HS1 not covered through the renewals process.

Calculation Methodology

AIRC is determined by calculating the annuity value of the efficient costs of carrying out the enhancement (including financing costs) over the lifetime of the assets in question.

Approach

The AIRC will be charged on the basis of the chargeable journey time spent by a relevant TOC's trains on HS1. The chargeable journey time does not take into account any time scheduled in the Working Timetable for stopping at a Station. This is consistent with the approach of not imposing IRC on the use of the Stations by TOCs.

Current Investments

At the time of publication of this Network Statement, the AIRC charge levied on relevant TOCs is solely for the purpose of recovering the capex costs of introducing GSMR track to train communications on HS1.

Implementation

AIRC is levied in accordance with IRC; however it is not possible to obtain any discounts on AIRC.

The current AIRC is:

- £1.25 per minute (April 2023 prices) subject to indexation for international passenger services; and
- £0.46 per minute (April 2023 prices) subject to indexation for domestic passenger services.

| | International passenger services | Domestic passenger services to Ashford International Station | Domestic passenger services to Ebbsfleet International Station (Up direction) | Domestic passenger services to Ebbsfleet International Station (Down direction) | Domestic passenger services to Springhead Junction |
|-------------------------|---|---|--|--|---|
| Chargeable Journey Time | 31 minutes | 31 minutes | 14 minutes | 15 minutes | 16.5 minutes |
| AIRC per train service | £38.79 | £14.15 | £6.39 | £6.85 | £7.53 |

Operations, Maintenance and Renewal Charge ("OMRC")

Principles

The purpose of the OMRC is to recover the operations, maintenance and renewal costs of HS1 (other than the Stations).

Calculation Methodology

Information on how OMRC is derived can be found in Annex 1.

Cost Apportionment

In determining the OMRC for passenger train services, a distinction has been drawn between:

- (i) costs directly incurred as a result of operating the train service (the charges for which are levied under the general charging principle, as described in Annex 1); and
- (ii) other costs (the charges for which are levied on the basis of the long-term costs of the operational phase of the HS1 project).

A further distinction is drawn between (a) costs which are "at risk" for the Infrastructure Manager and (b) costs which are passed through to TOCs "at cost" albeit subject to review by the ORR to confirm that they have been efficiently incurred. The charges for operation, maintenance and renewal costs that are "at risk" are determined at the outset of each control period (CP3 runs from 01 April 2020 to 31 March 2025), and the Infrastructure Manager bears the risk that outturn costs exceed the costs assumed for the purpose of setting that element of the OMRC. Charges for costs which are passed through to TOCs "at cost" are charged on an estimated basis with an annual "wash up" to adjust for the difference between estimated costs (used for setting charges initially) and outturn costs.

Annex 1 contains further details of the apportionment of the operations, maintenance and renewal costs between TOCs, including with respect to indexation.

Implementation

Operations, maintenance and renewal costs are apportioned as set out above with the resultant direct costs being expressed as variable charges per train km and non-direct costs expressed as an amount per train per minute.

The OMRC per train per minute will be multiplied by the chargeable journey time of a train and (except for those costs that are passed through to TOCs "at cost") an indexation factor. The resulting figure is then multiplied by the number of timetabled trains in the service group for the relevant period which gives the OMRC to be paid by the relevant TOC in respect of that period and

service group. For those costs which are “at risk”, indexation is applied annually based on the retail price index.

Those operations, maintenance and renewal costs that are directly incurred as a result of operating the train service (i.e. OMRC A1) will be recovered by the Infrastructure Manager initially on the basis of the New Working Timetable.

For the duration of CP3, HS1 Ltd will undertake what is described as a “Volume Re-Opener”. For passenger train operators, the avoidable and common long-term costs (i.e. OMRC A2 and OMRC B) will be adjusted annually from the Principal Change Date (mid-December) on the basis of the “expected train minutes” spent on High Speed 1 (per paragraph 7, part 3, section 7 of the HS1 Passenger Access Terms). HS1 Ltd must take into account any underpinning amount it has received from the Secretary of State. This will mean variability in charges, year-on-year, in CP3. Importantly, where there is a higher than forecast recovery from COVID-19 and strong traffic growth occurs, the charges will fall from their current levels. Charges will increase if traffic volumes delivered are lower than forecast. If a TOC delivers significantly higher traffic volumes in-year then they will get a significant benefit.

HS1 Ltd recognises the impact of charging changes on TOCs, particularly recent increases in the context of COVID-19 and the challenge this may present TOCs as they seek to recover or introduce new services. Throughout 2021-2022 we reviewed our charging structure and took these issues into account. This process is now finished and the conclusions are available on our website: <https://highspeed1.co.uk/regulatory/periodic-reviews>.

As previously noted, those costs which are passed through to TOCs “at cost” (i.e. OMRC C) will be recovered by the Infrastructure Manager initially on the basis of an estimate of such costs. The recovered charges will be adjusted annually to reflect any difference between estimated and outturn costs.

Indicative figures for OMRC are shown in the following table (April 2023 prices), subject to indexation and to review as described below:³

| | International passenger services (Class 373/Class 374) | Domestic passenger services to Ashford International Station (Class 395) | Domestic passenger services to Ebbsfleet International Station (Up direction) (Class 395) | Domestic passenger services to Ebbsfleet International Station (Down direction) (Class 395) | Domestic passenger services to Springhead Junction (Class 395) |
|--|---|---|--|--|---|
| Chargeable Journey Time / train km | 31 minutes 111.3 km | 31 minutes 91.5km | 14 minutes 39.5km | 15 minutes 39.5km | 16.5 minutes 39.5km |
| OMRC per train per kilometre (variable charge) | £5.17 | £2.07 | £2.07 | £2.07 | £2.07 |
| OMRC per train per minute (other charges) | £82.44 | £65.62 | £65.62 | £65.62 | £65.62 |
| OMRC per train service | £3,130.97 | £2,239.59 | £1,000.43 | £1,066.05 | £1,164.47 |

³ The figures in this table have been determined on the basis of the vehicle types currently proposed for these services – i.e. Class 373 and 374 for international and Class 395 for domestic services. Different vehicle types are likely to give rise to a different "cost directly incurred as a result of operating the train service" and hence a different OMRC, although the ‘other’ common cost elements of OMRC (i.e. costs that are not directly incurred) will not be affected by this. Please contact the Infrastructure Manager at the address set out in section 1.8.1 to obtain indicative figures for different rolling stock types.

Review

In accordance with the provisions of the Concession Agreement, the ORR conducts periodic reviews of the Infrastructure Manager's OMRC at 5-yearly intervals. The last such periodic review took effect on 1 April 2020. In addition, the Infrastructure Manager can ask the ORR to carry out an interim review of the OMRC if there is a material and significant change to the circumstances upon which the current OMRC was determined or approved such that the level of OMRC is materially insufficient to enable the Infrastructure Manager to comply with its obligations under the Concession Agreement. If the level of the operations, maintenance and renewal costs is revised pursuant to a periodic or interim review, the OMRC will be revised by the Infrastructure Manager by apportioning the revised operations, maintenance and renewal costs among the TOCs on the basis described in Annex 1.

Outperformance Sharing

As part of PR 2019, the Infrastructure Manager has established a formal mechanism to share outperformance with the TOCs in its regulatory framework for years 3, 4 and 5 of Control Period 3.

Traction Electricity Charge

If traction electricity is procured by the Infrastructure Manager on behalf of the TOCs, all charges that the Infrastructure Manager incurs in respect of traction electricity will be passed through to the TOCs. The traction electricity charge is arrived at by calculating the product of the calibrated modelled consumption rate of the relevant Rolling Stock, a rate for traction current as published (on the HS1 website: <https://highspeed1.co.uk/regulatory/access-new-operators>) by the Infrastructure Manager (including an uplift to that amount to take account of transmission losses and specific charges levied by the UK national grid provider) and the usage measured in vehicle-kilometres. There is an annual adjustment to reflect any difference between the modelled and actual cost of traction electricity.

The Infrastructure Manager has the billing capability to charge TOCs derived by on train meter usage. TOCs have the option to procure their own traction electricity with the prior written consent of the Infrastructure Manager. The relevant TOC shall bear all expenses, payments, liabilities, costs and losses (including transmission losses) with regard to the procurement of traction electricity itself and of any additional metering equipment or system costs required for implementation and administration. To date, no TOC has chosen to procure their own traction electricity.

Capacity Reservation Charge (including a potential rebate on such charge)

Regulation 17 of the Rail Regulations 2016 authorises an infrastructure manager to levy an appropriate charge for capacity that is requested but not used. The Infrastructure Manager proposes to levy such reservation charges under the relevant Framework Track Access Agreement. Capacity Reservation Charges are levied on the difference between paths reserved within the Framework Track Access Agreement and the First Working Timetable. The reservation charge per passenger train will be set at 25% of the full IRC per train path (ignoring any discount on IRC). The reservation charge per freight train will be set at 25% of the full OMRC per train path. This will be a flat charge which does not vary by time of day or day of week.

A TOC may surrender some or all of its reserved capacity rights by providing notice to this effect to the Infrastructure Manager. Any such notice shall specify the number of the reserved capacity rights to be surrendered and shall take effect at the end of the timetable year following the timetable year in which the notice is served. When such notice takes effect the reserved capacity rights referred to in such notice as being surrendered shall cease to be firm rights.

Where a TOC ("TOC A") has reserved capacity which is utilised by another TOC ("TOC B") then TOC A is entitled to a rebate on its capacity reservation charge. This is calculated as 75% of the lower of:

- (a) the capacity reservation charge paid by TOC A; and
- (b) where TOC B is a passenger TOC, the amount of the IRC paid by TOC B or, where TOC B is a freight TOC, 75% of the Freight OMRC paid by TOC B.

The Infrastructure Manager notes that there is currently spare capacity on HS1 and recognises concerns of the TOCs about the Capacity Reservation Charge. In response to these concerns, the Infrastructure Manager has suspended the Capacity Reservation Charge for CP3, but will keep this suspension under review, particularly in relation to the following situations:

- (a) a new TOC commences services on HS1;
- (b) where levying the charge would assist meeting the objectives set out in the HS1 Network Code; or
- (c) where capacity on HS1 exceeds 80%.

Congestion Tariff

Paragraph 1(8) of Schedule 3 of the Rail Regulations 2016 authorises an infrastructure manager to levy a charge to reflect the scarcity of capacity of the identifiable segment of the infrastructure during a period of congestion. If at any time HS1 becomes congested within the meaning of regulation 26 of the Rail Regulations 2016, the Infrastructure Manager will consider the possibility of conducting an auction for capacity on HS1, which could give rise to a congestion tariff.

Other Services Charges

There may be bespoke ancillary services provided to a particular passenger TOC. The actual costs incurred by the Infrastructure Manager in providing these services will be paid by the relevant passenger TOC to the Infrastructure Manager.

Carbon Costs

The CRC Energy Efficiency Scheme was closed with the final compliance year being 2018-19. There are no longer any costs or payments due in relation to this with Government recovering the lost revenue by increasing Climate Change Levy within electricity bills. The Streamlined Energy and Carbon Reporting (SECR) regime effectively covers many of the energy reporting requirements previously encompassed within the CRC Energy Efficiency Scheme.

Station Access Charges

The Station Access Charges comprise:

- (a) Common charges; and
- (b) Exclusive charges.

Common Charges: The common charges are made up of the following components:

- (i) **Qualifying expenditure:** This is the operating and maintenance expenditure described in the Station Access Conditions and relevant Annexes incurred by the Infrastructure Manager during any accounting year/half accounting year calculated in accordance with the formula specified in the Station Access Conditions and relevant Annexes. The formula apportions the qualifying expenditure between TOCs by taking into account a combination of each TOC's vehicle departures at the Station and the relative size of the international, domestic and common areas at the relevant Station. The qualifying expenditure is levied on all TOCs using the relevant Station.

- (ii) **Long term charge:** The long term charge will reflect the Infrastructure Manager's costs of the renewal and repair activities at each Station. The charge will be recovered from all TOCs whose services stop at the Station in proportion to the number of vehicle departures for each TOC and the relevant sizes of the different areas at the Station. The amount of the long-term charge will be specified in the relevant Annexes to the Station Access Conditions for each Station and will be reviewed as per the specified formula.

Exclusive Charges: These are the charges to be paid by the respective TOC for any bespoke services provided by the Infrastructure Manager to such TOC at the relevant Station.

Qualifying Expenditure ("Qx")

The best estimates for 2023/24 at each Station are as follows:

| | St Pancras International | Stratford International | Ebbsfleet International | Ashford International |
|---|--------------------------|-------------------------|-------------------------|-----------------------|
| Annual QX (April 2023 prices – subject to indexation) | £27.6m | £4.5m | £5.0m | £2.8m |

The charge for a new international operator at St Pancras International would be determined based on space taken and vehicles operated; prospective operators are encouraged to contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

Long Term Charge ("LTC")

LTC charges are subject to review every 5 years as part of the periodic review process conducted by the ORR. The charges applicable for CP3 are as follows:

| | St Pancras International | Stratford International | Ebbsfleet International | Ashford International |
|--|--------------------------|-------------------------|-------------------------|-----------------------|
| Annual LTC (April 2023 prices – subject to indexation) | £7.6m | £1.5m | £1.6m | £0.9m |

Charges for Freight Train Services

Freight OMRC

Freight OMRC comprises only the costs directly incurred as a result of operating freight train services (the charges for which are levied under the general charging principle). These consist only of operations, maintenance and renewal costs which would not be incurred, or would be "avoidable", in the absence of freight train services on HS1. In determining such avoidable costs, account has been taken of the cost of mothballing freight-only elements of HS1, with such costs being treated as common costs. Subject to the final two paragraphs of this section on Freight OMRC, freight TOCs will not be charged common costs.

Following the above charging principles, the freight OMRC charge per km for CP3 was set on the basis of spreading the relevant costs across 454 trains per year.

For 2023/24, the Freight OMRC charge is £11.11 (April 2023 prices – subject to indexation) per train-km.

Traction Electricity Charge

As per passenger TOCs.

Capacity Reservation Charge

Regulation 17 of the Rail Regulations 2016 authorises an infrastructure manager to levy an appropriate charge for capacity that is requested but not used.

The Infrastructure Manager will levy a reservation charge in respect of capacity reserved by freight TOCs. This will be set at 25% of the operations, maintenance and renewal charge which the freight TOC would pay if it were to operate a train pursuant to the reserved right.

As above, the Capacity Reservation Charge is currently suspended for CP3, but we will keep this under review and update the Network Statement to reflect any change in position.

Congestion Tariff

As per passenger TOCs.

Other Services Charges

There may be bespoke ancillary services provided to a particular freight TOC. The actual costs incurred by the Infrastructure Manager in providing these services will be paid by the relevant freight TOC to the Infrastructure Manager.

Ripple Lane Charge

The Ripple Lane Charge is only applicable to freight services which both enter and leave HS1 infrastructure via the Ripple Lane exchange sidings, but do not run on the mainline (therefore not attracting the other freight charges described above). This charge is set to recover the costs of operating and maintaining the Ripple Lane exchange sidings. A proportion of this cost is recovered from freight services running on mainline HS1 infrastructure through the Freight OMRC, with the remainder recovered through this Ripple Lane Charge. The current charge is set on the basis of the actual number of applicable movements in 2020/21 – this was 1,799. This charge is subject to a volume re-opener where actual services in the subsequent year are 12.5% higher or lower than the number run in the previous year.

In 2023/24 the Ripple Lane Charge is £108.97 per train movement (April 2023 prices – subject to indexation).

Charges for Testing Train Services

In so far as a TOC proposing to operate passenger services needs to operate non-passenger services during a testing period, it will be liable to pay all components of the track access charges as set out in section 6.1.1 above other than IRC and may be liable to pay an Additional Inspection Charge ("AIC"). The AIC will be payable by the TOC if a maintenance inspection is carried out as a direct consequence of the TOC carrying out the testing.

In so far as a TOC operates passenger services during a testing period, it will be liable to pay all of the components of the track access charges as set out in section 6.1.1 above and may also be liable to pay the AIC.

In so far as a TOC operates freight services during a testing period, it will be liable to pay all components of the track access charges as set out in section 6.2.1 above and may be liable to an AIC. The AIC will be payable by the TOC on the same basis as described above.

Station Access Charges for Testing

In so far as a TOC proposing to operate passenger services requires station access as part of running non-passenger services during a testing period, the TOC will be liable to pay a fixed sum of £1 as the station access charge. For running passenger services during a testing period, the

TOC will be liable to pay all of the components of the station access charges as set out in section 6.1.2 above.

A TOC proposing to operate freight services during a testing period will not be liable for any station access charges.

Charges for Special Services

Track Access Charges for Special Services

The charges for access to HS1 which a TOC will be liable to pay as a result of the operation of a Special Service will depend upon its nature and duration. Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

Station Access Charges for Special Services

Insofar as a TOC proposing to run a Special Service requires Station access as part of its operation, the TOC will be liable to pay an access charge in respect of that Station. The form and level of access charge will depend on the nature and duration of the Special Service, as well as any exclusive station services (as described in section 6.1.2(b) above) requested by the TOC. Please contact the Infrastructure Manager for further information at the address set out in section 1.8.1.

6.4 Financial Penalties and Incentives

6.4.1 Non-usage/cancellation fees and charges

Should a TOC not use all the Firm Rights allocated to them in the Track Access Agreement, they are liable to pay the Capacity Reservation Charge – see section 6.3.

If a path is allocated through the timetabling process, and not amended via a Timetable Variation as described in Part D3 of the HS1 Network Code, full charges associated with that path will be borne by the TOC regardless of whether the service is run.

Please note that the Capacity Reservation Charge is currently suspended.

6.4.2 Reduction fee for Framework Agreements

There are no discounts or other reductions to track access charges as a result of entering into a Framework Track Access Agreement.

6.5 Performance Regime

Regulation 16 of the Rail Regulations 2016 provides that an infrastructure manager must establish a performance regime as part of the charging system to encourage railway undertakings and the infrastructure manager to minimise disruption and improve the performance of the railway network. The Infrastructure Manager has developed a performance regime which is incorporated in the relevant Framework Track Access Agreement or Track Access Agreement. Please refer to Annex 2 for more details and the HS1 Passenger Access Terms on HS1's website: <https://highspeed1.co.uk/regulatory/access-new-operators>

Payments under the Possessions Regime are discussed in section 4.5.

6.6 Changes to Charges

The applicable track access charges and station Long Term Charge were approved by ORR and DfT respectively for Control Period 3 (01 April 2020 – 31 March 2025) and remain constant in real terms over this period. Each year the charges are adjusted by RPI. Charges may be adjusted if there is a material change in train volumes. As noted above we have been running Volume Reopeners to adjust OMRC – see Section 6.3 Implementation.

The station Qualifying Expenditure charge is reviewed and set on an annual basis in agreement with the TOCs.

In accordance with Paragraph 2 of Schedule 3 of the Railway Regulations 2016, HS1 Ltd may, with the approval of the ORR, levy mark-ups on the basis of efficiency, transparent and non-discriminatory principles in respect of particular rail market segments. The market segments on HS1 comprise:

- International passenger services;
- High speed domestic passenger services;
- Domestic passenger services;
- Passenger services within the framework of a public service contract;
- Freight services.

6.7 Billing Arrangements

The Infrastructure Manager will invoice the TOCs. Unless operating a Special Service, payment of the IRC, OMRC and the Capacity Reservation Charge is to be made by the passenger TOCs quarterly in advance and payment of all other charges are to be made each period in arrears. Freight TOCs will pay all charges each period in arrears. Please contact the Infrastructure Manager for further information in relation to the billing arrangements for a Special Service at the address set out in section 1.8.1. Agreed terms and conditions, including those relating to non-payment or late payment are set out in the relevant Access Agreements.

By way of exception to the above paragraph, the Infrastructure Manager has, as a consequence of the effects of the pandemic caused by the SARS-CoV-2 virus (commonly known as COVID-19 or the coronavirus), made an offer to all TOCs that operate passenger or freight services on HS1 as at May 2020 to defer and refrain from invoicing:

- the long term charge for Stations where services operated by the relevant TOC commence, call or terminate; and
- the renewals and replacement element of the OMRC and Freight OMRC

that, in each case, would otherwise be payable by the relevant TOC in the period 1 April 2020 to 26 June 2021.

The time period during which the deferral was offered has now closed. The Infrastructure Manager is entitled to recover from any TOC who accepted this offer such deferred charges over the period 27 June 2021 to 31 March 2025. The deferred charges are subject to annual indexation by RPI.

If the relevant TOC fails to pay an invoice issued by the Infrastructure Manager in relation to the period 1 April 2020 to 31 March 2025, and has not remedied such non-payment within 28 working days of the final date for payment for the relevant invoice, the Infrastructure Manager will be entitled to:

- cancel the deferral arrangements referred to above and, where such cancellation occurs during the period 1 April 2020 to 26 June 2021, revert to including the long term charge and the renewals and replacement elements of the OMRC and the Freight OMRC in subsequent invoices; and
- recover as a lump sum all outstanding deferred charges.

Interest will not be levied on the deferred amounts. However default interest will apply to invoiced amounts where a TOC fails to pay an invoice by the applicable due date.

ANNEX 1 OPERATIONS, MAINTENANCE AND RENEWAL CHARGE

In determining OMRC, the Infrastructure Manager has adopted the following approach:

1. First, a distinction has been drawn between:

- those costs which are directly incurred as a result of operating train services, which are recovered through the general charging principle (i.e. in accordance with paragraph 1(4) of Schedule 3 to the Rail Regulations 2016); and
- other costs for which charges are levied on the basis of the long-term costs of the operational phase of the HS1 project (i.e. in accordance with paragraph 3 of Schedule 3 to the Rail Regulations 2016) – for HS1 this includes avoidable long-term costs and common long-term costs as endorsed by the ORR in Periodic Review 19.

In order to do this:

- **Directly incurred costs** are determined as those costs which vary with the number and type of trains running on the line – these reflect the wear and tear of additional trains on the common network.
- **Avoidable long-term costs** are those incremental costs related to infrastructure specific to a class of operator that would be avoided (ie not required) if that class of operator ceased operating on HS1. To determine avoidable long-term costs, train services have been grouped into a number of different “increments”, i.e. “domestic passenger services”, “international passenger services” and “freight services”. Consideration has been given to what OMRC would not be incurred, or would be “avoidable”, in the absence of each of these increments. In determining such avoidable long-term costs, account has been taken of the cost of mothballing elements of HS1 required only by that increment, with such mothballing costs being treated as common long term costs. To be specific:
 - Those incremental long-term costs which would be avoidable if international passenger services were not to run on HS1 have been defined as being those costs which are incurred by international passenger services.
 - Those incremental long-term costs which would be avoidable if domestic passenger services were not to run on HS1 have been defined as being those costs which are incurred by domestic passenger services.
 - Those incremental long-term costs which would be avoidable if freight services were not to run on HS1 have been defined as being those costs which are incurred by freight services.
- Those costs which remain after the process of determining increments and analysing avoidable long-term costs (as outlined above) are treated as **common long-term costs**. These costs are apportioned between international and domestic passenger train services on the following basis:
 - Common long-term costs which increase as the length of the line increases (e.g. signalling maintenance) are apportioned between international and domestic passenger train services on the basis of expected train minutes spent on those sections of HS1 used by both international and domestic train services (ignoring stopping time at stations). This is to prevent operators being unfairly penalised for time spent on sections of HS1 the cost of which will, for the most part, be recovered from such operators as costs directly incurred by them or as avoidable long-term costs (i.e. under the general charging principle);

- Common long-term costs which do not increase with the length of the line (e.g. office administration costs) are apportioned between international and domestic passenger train services on the basis of expected train minutes spent on the whole length of HS1 (ignoring stopping time at stations).

Conventional freight services are not currently charged for common long-term costs.

2. Second, a distinction has been drawn between:

- those operations, maintenance and renewal costs which are treated as being “at risk” for the Infrastructure Manager, in that charges for such costs are determined at the outset of each price control period (initially the period to 31 March 2015 and thereafter each period of 5 successive years) so that the Infrastructure Manager bears the risk that outturn costs exceed assumed costs; and
- those operations, maintenance and renewal costs which are passed through to passenger TOCs “at cost” (subject to review by the ORR to confirm that they have been efficiently incurred) because they are particularly difficult to control and subject to significant potential variation – known as **pass through costs**. For the third control period they include insurance, rates and non-traction, non-station electricity, amounts payable in respect of renewals under the Infrastructure Manager’s contract with UKPN (in order to cover renewal of the electricity sub-stations) and small route energy efficiency schemes.

Dealing with these in turn:

- With respect to Control Period 3 (5 year period beginning 01 April 2020), an analysis has been undertaken, in conjunction with input from NR (HS), to ascertain what level of “at risk” costs relating to operation, maintenance and renewal it would be reasonable for the Infrastructure Manager to expect efficiently to incur. This analysis and input from NR (HS)) generated a profile of OMRC which declines in real terms over time, as a result of the impact of various efficiency initiatives. However, in order to make it easier for TOCs to plan their activities and to ensure that passenger TOCs have a clearer relationship between their own costs and likely changes to passenger fares, this declining profile of costs has been converted into a flat profile of costs with exactly the same present value. This flat profile is apportioned between domestic and international passenger services in the manner outlined above (i.e. distinguishing between directly incurred costs and long-term costs).
- Operations, maintenance and renewal costs which are passed through to passenger TOCs “at cost” and can be reviewed by the ORR to ensure that such costs have been efficiently incurred. No indexing of these costs is therefore necessary.

3. Third, once these overall levels of OMRC for domestic and international passenger trains have been calculated, they are converted into actual charges on a per train minute basis (based on timetabled train minutes). Conventional freight services are charged on a per train-km basis.

ANNEX 2 PERFORMANCE REGIME

As required by the Rail Regulations 2016, Framework Track Access Agreements and Track Access Agreements (as applicable) between the Infrastructure Manager and the TOCs will include a performance regime designed to encourage all parties to minimise disruption and improve the performance of HS1.

The performance regime has been designed to provide incentives to encourage all parties both to minimise the frequency of performance-disrupting incidents and to contain their impact when they occur. Further details of the Performance Regime can be found in Section 8 of the HS1 Passenger Access Terms, available on HS1's website: <https://highspeed1.co.uk/regulatory/access-new-operators>

Measuring delays/cancellations

Performance will be measured using HS1's Performance Monitoring System as set out in Part B of the Network Code.

The regime will not normally take account of delays/cancellations arising off HS1. Those incidents which are excluded from the Performance Regime are defined in Section 8 of the HS1 Passenger Access terms, and include any one or more:

- (a) incidents resulting in the late presentation of a Train onto HS1 from either the Channel Tunnel Boundary or the NR Boundary and recorded as minutes delay at the first recording point triggered by that Train after it crosses onto HS1 from the Channel Tunnel Boundary or the NR Boundary, except where the minutes delay and/or cancelled trains are a direct result of an incident for which HS1 Ltd is allocated responsibility in accordance with paragraph 4.2 of Section 8 of the Passenger Access Terms; and
- (b) third party incidents occurring off HS1 including fires and gas leaks originating off HS1.

Infrastructure Manager caused delays/cancellations – Performance Payments by Infrastructure Manager (HS1 Ltd Performance Sum)

The Infrastructure Manager will make payments to a TOC in the event that the Infrastructure Manager attributed delays/cancellations (excluding TOC-on-TOC delays/cancellations) experienced by the TOC exceeds (i.e. is worse than) a defined threshold ("Poor Performance Threshold"). In accordance with the Rail Regulations 2016, such incidents may be:

- Operation/planning management attributable to the infrastructure manager
- Railway infrastructure installations attributable to the infrastructure manager
- Civil engineering causes attributable to the infrastructure manager

Payments will be equal to the product of (a) the difference between the average minutes delay and cancellation minutes per train which are attributable to the Infrastructure Manager in a given 28 day period and the Poor Performance Threshold, (b) a payment rate specific to the type of traffic affected and (c) the number of trains scheduled to be operated by the TOC during the period. The threshold will be defined to allow for an expected level of variability period-to-period (for example, it could be set according to the estimated standard deviation of delays over a year). No payment will be made for:

- delayed trains on HS1 as a result of late entry onto HS1 from adjoining infrastructure, except where the minutes delay and/or cancelled trains are a direct result of an incident for which HS1 Ltd is allocated responsibility; and
- force majeure.

Good network performance – Bonus Payments to the Infrastructure Manager (HS1 Ltd Performance Bonus)

The Infrastructure Manager will be entitled to a bonus payment from a TOC in the event that the sum of the Infrastructure Manager caused delay minutes and cancellation minutes per train and TOC-on-TOC delay minutes and cancellation minutes per train experienced by that TOC is less (i.e. better) than a defined threshold ("Good Performance Threshold"). Bonus payments will be based on the difference between actual delays/cancellations per train and a Good Performance Threshold, but will be calculated at a reduced payment rate ("Bonus Payment Rate"). The Bonus Payment Rate will be 25% of the payment rate referred to above. This mechanism will provide a positive incentive for the Infrastructure Manager to manage disruption effectively. The Infrastructure Manager will not be entitled to receive a performance bonus from a TOC in the event that its performance sum payment to that TOC exceeds one thirteenth of the annual Performance Cap (as described below) in any period.

TOC caused delays/cancellations – Performance Payments by the TOC (Train Operator Performance Sum)

Each TOC will be obliged to make a performance payment to the Infrastructure Manager in respect of the TOC-on-TOC delays/cancellations which it causes to another TOC (the "Affected TOC") subject to overall performance experienced by that TOC (i.e. both the Infrastructure Manager caused delays/cancellations and TOC-on-TOC delays/cancellations) being worse than a defined TOC on TOC Receipt Benchmark. Payments in respect of each Affected TOC will be equal to the product of (a) the number of minutes delay and cancellation minutes per train which are attributable to the TOC in a given 28 day period and (b) a payment rate specific to the type of traffic affected.

If there is only one Affected TOC then this payment will be paid by the Infrastructure Manager to that TOC. Where there is more than one Affected TOC, the payment will be split between those TOCs in proportion to their payment rate multiplied by the relevant TOC-on-TOC minutes delay and cancellation minutes which they have experienced. The payments made by the Infrastructure Manager to the Affected TOCs shall not exceed the performance payments it receives from TOCs responsible for the TOC-on-TOC delay/cancellations.

In accordance with the Rail Regulations 2016, such incidents include:

- Commercial causes attributable to the railway undertaking
- Rolling stock attributable to the railway undertaking
- Causes attributable to other railway undertakings.

Payment rates

Payment rates will be standardised for particular traffic types. They will represent the so-called marginal revenue effect (the impact on revenue of a change in performance at the margin). Payment rates are available in the Track Access Agreements signed by the TOCs.

Caps on performance payments

Payment by the Infrastructure Manager and the TOC in respect of their poor performance will be subject to a cap (the "Performance Cap") as follows:

- (a) in relation to the passenger operators in respect of the Relevant Year, 3% of an amount equal to the aggregate of total IRC and OMRC payable by such TOC in the Relevant Year, subject to a minimum of £500,000 (in February 2009 prices); and
- (b) in relation to freight operators in respect of the Relevant Year, 3% of an amount equal to the total Freight OMRC payable by such FOC in the Relevant Year, subject to a minimum of £500,000 (in February 2009 prices).

In each Relevant Year there will also be a quarterly cap (which will be based on the annual cap). Any unused element of the quarterly cap can be rolled forward within any Relevant Year.

The Infrastructure Manager bonus payments will also be subject to an annual cap equal to 10% of the Performance Cap and a quarterly cap operating on the same basis as that applicable to Infrastructure Manager and TOC payments.

Performance improvement plans

If either party's performance payment exceeds one thirteenth of the annual cap in any 3 out of 13 consecutive 28 day periods, or if its performance fails to satisfy certain other criteria in any 8 out of 13 consecutive 28 day periods, it will be required to submit a performance improvement plan.

Recalibration and review

The performance regime will operate by reference to a number of parameters which are specified in the relevant Framework Track Access Agreement or the Track Access Agreement (as applicable). The parameters specified will reflect a reasonable expectation of each party's measured performance over a defined period. Ultimately, this will be determined on the basis of actual performance data but initial parameters have been set on the basis of a modelling exercise.

The performance regime can be reviewed after a material change or if another TOC's performance regime is revised. A material change for this purpose would include a physical modification to HS1, an increase or decrease of more than 4% in the number of train movements, or a significant change in the performance of the rolling stock operated by the TOC.

Appeals process

Any disputes relating to delay attribution will follow the procedure set out in Paragraph 11 of Part 1 of Section 8 of the HS1 Passenger Access Terms. Should the dispute not be resolved between the parties, then the dispute will ultimately follow the Disputes Resolution Procedure set out in section 1.4.3.

ANNEX 3 DISCOUNT POLICY

1. Introduction

- 1.1 This annex to the HS1 Network Statement sets out HS1 Ltd's policy on offering discounted access charges on HS1 and the circumstances in which discounts may be offered.
- 1.2 It is HS1 Ltd's policy not to offer OMRC discounts as this would risk the under-recovery of costs for the operation, maintenance and renewal of HS1.
- 1.3 The legal basis for offering discounts on access charges is set out in Schedule 3 to the Rail Regulations 2016. Paragraph 6(3) provides that "The infrastructure manager may introduce schemes available to all users of the railway, with reference to specified traffic flows, granting time-limited discounts to encourage the development of new rail services, or discounts encouraging the use of considerably under-utilised lines." Paragraph 6(2) provides that an infrastructure manager may also apply discounts by reference to administrative cost savings. HS1 Ltd does not offer discounts in line with paragraph 6(2) because any administrative cost savings would be reflected in the OMRC levels which are established through a periodic review every five years.
- 1.4 Any agreed discounts will be reflected in Framework Track Access Agreements. The ORR must approve new Framework Track Access Agreements (and amendments to existing agreements) and so will need to approve any discounts agreed by HS1 Ltd and TOCs. In considering whether to approve discount applications, and in considering any appeals by TOCs, the ORR has indicated that it would expect to take HS1 Ltd's published discounts policy into account.

2. Principles for the application of discounts on HS1

- 2.1 HS1 Ltd's policy on discounts is based on a set of principles.

Principle 1: Discounts will be offered on a fair, transparent and non-discriminatory basis

- 2.2 In line with paragraph 6(6) of Schedule 3 of the Rail Regulations 2016, similar discount schemes will be applied to similar services, regardless of which TOC operates the relevant service.
- 2.3 By setting out its discount policy in this Annex to the HS1 Network Statement, the basis on which HS1 Ltd offers discounts will be clear to all potential and existing TOCs. The key terms of agreed discount schemes, including start and end dates, will also be published in the HS1 Network Statement, as will notifications of the general availability of discount schemes in specific years.

Principle 2: Specific criteria will be applied in order to determine whether or not a discount will be offered

- 2.4 The criteria are aimed at encouraging the development of services that would not otherwise be viable, in order to improve the utilisation of HS1. This accords with the 2016 Railway Regulations provision that discounts may be offered "to encourage the development of new rail services, or discounts encouraging the use of considerably under-utilised lines".⁴

Principle 3: The criteria will be based on identifying rail services, rather than traffic flows

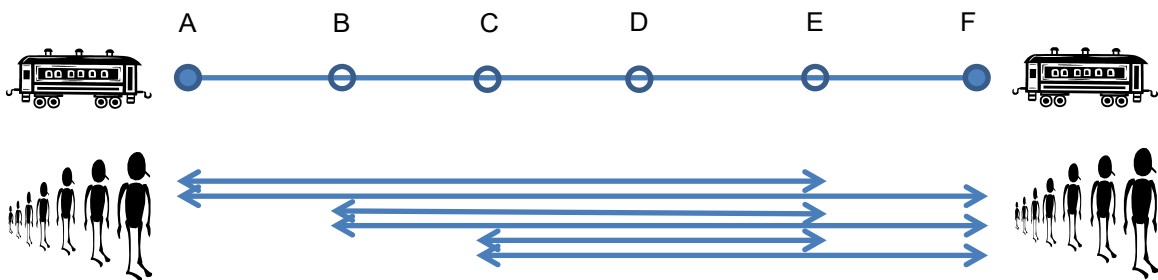
- 2.5 HS1 Ltd's criteria for the application of discounts are based on the identification of rail services. Use is made of both the terms "services" and "traffic flows" in the Rail Regulations 2016. While the concept of "traffic flows" has been used by UK and EU competition authorities, normally referring to passenger demand and to origin-destination or point-to-point passenger flows, it is considered

⁴ Paragraph 6(3) of Schedule 3 of the Rail Regulations 2016.

by HS1 Ltd that specific and clear criteria for the application of discounts can be developed more readily by reference to rail services. HS1 Ltd is of the view that this is consistent with the Rail Regulations 2016.

2.6 The term “traffic flow” is taken to represent individual point-to-point passenger flows, i.e. individual journeys by passengers from a defined origin to a defined destination. A rail service, by contrast, is defined by the starting point, end point and stopping pattern of that rail service – which may provide for a variety of different passenger traffic flows. In considering discounts, HS1 Ltd is prepared to differentiate between peak and off-peak services, daytime and night-time services and services that only operate on specific dates.

2.7 Even on a relatively simple rail service such as those which operate on HS1, given that there are intermediate station calls on many services, there is not necessarily an exact correspondence between rail services and traffic flows. For example, on the rail service below between destinations A and F, the passenger (traffic) flows include A – E, A – F, B – E, B – F, C – E and so on.



2.8 Given that a TOC’s profitability is much more readily determined at the rail service level than at the (passenger) traffic flow level, discount criteria have been developed by reference to rail services, in order to identify the likelihood that a service would not proceed in the absence of a discount. However, in doing so, HS1 Ltd will be mindful of ensuring that competition between TOCs in specific markets is not distorted.

Principle 4: Discounts should not prevent best use being made of HS1 capacity.

2.9 In particular, discounts will not be offered for new services where this risks crowding out other well-used and/or profitable services. This means that it may be necessary to restrict the availability of discounts to all TOCs when HS1 is approaching high levels of utilisation.

Principle 5: HS1 Ltd’s commercial interests, as a private company with responsibilities to its shareholders, need to be protected.

2.10 In general, HS1 Ltd will offer discounts where this is expected to increase total revenues for HS1 Ltd, through encouraging more services to be operated than would otherwise be the case. This may mean, for example, that discounts for new services will not be offered when these would also apply to existing services on HS1 that do not currently benefit from discounts. Exclusions will also need to be made for those domestic services specified by Government in franchise agreements.

2.11 In addition, HS1 Ltd needs to protect its commercial position in the event of an adverse legal or regulatory decision in relation to discounts. HS1 Ltd therefore reserves the right to review and withdraw all discounts offered by it in the event of any regulatory or legal determination with respect to HS1 Ltd’s obligations under the provisions of the Rail Regulations 2016 relating to discounts or under applicable competition law relating to the discount principles, which would or is likely to have a material adverse impact on the economics of HS1 Ltd’s business. These are the only circumstances in which it is envisaged that existing agreed discount schemes could be withdrawn.

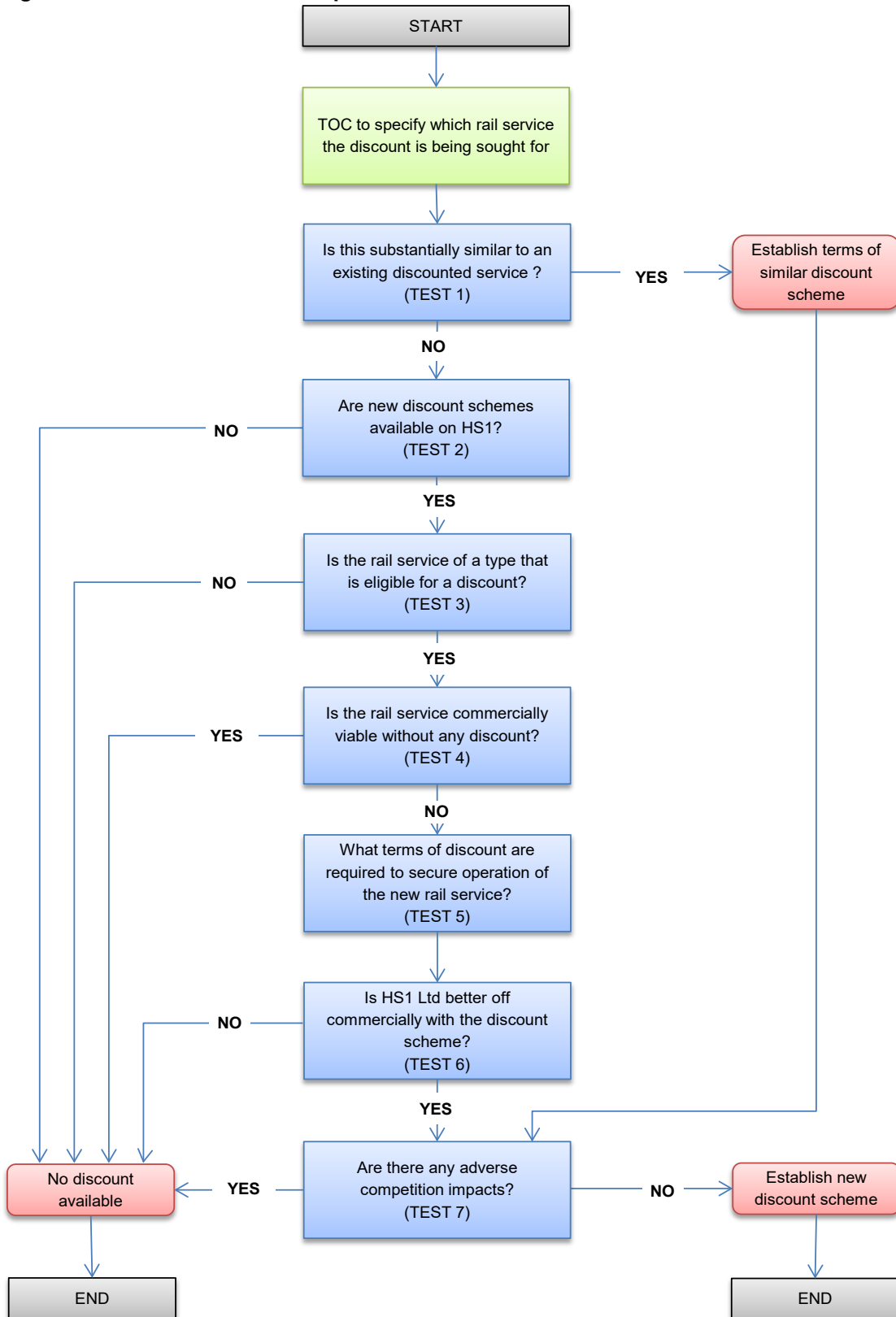
Principle 6: Discounts will be time-limited.

2.12 Through offering discounts, HS1 Ltd aims to facilitate the development of rail services that will be sustainable in the long-term, rather than subsidising services that are unlikely ever to be profitable. For this reason, discounts will only be offered for specific time periods, with clearly defined start and end dates.

3. Discounts criteria

3.1 The process for consideration of applications for IRC discounts is summarised in Figure 1 below. HS1 Ltd will apply a series of seven tests to determine whether a discount is applicable; each test is described further in the remainder of this section. The tests are sequential, and will be carried out in the order indicated in Figure 1.

Figure 1 – Decision process for consideration of discount applications



Test 1: Is the rail service substantially similar to an existing discounted rail service?

3.2 The Rail Regulations 2016 require that infrastructure managers apply "similar discount schemes" to "similar services", so the first test determines whether an existing discount scheme will apply to

a new rail service (rail service being defined as described in paragraph 2.6 above). If a new rail service is considered to be similar to an existing one that is in receipt of a discount, in order to act in a fair and non-discriminatory manner, HS1 Ltd will offer similar discounts regardless of whether or not the rail service satisfies the other tests.

3.3 There are three criteria that will be considered by HS1 Ltd in determining whether a new rail service is similar to an existing one:

- (i) The passenger traffic flows (origin-destination flows) served and whether they are similar;
 - By 'similar' this is generally taken to be the case if, in respect of each of the existing service and the new rail service, passenger revenues from traffic flows common to both services comprise at least 75% of total passenger revenues on the relevant service;⁵ and
 - In defining whether traffic flows are similar, the substitutability of stations or destinations will be taken into account. For example, Paris Gare du Nord will not be considered to be a substitutable destination for Marne la Vallée.
- (ii) The rail service pattern and whether it is the same for most trains;
 - Taking into account the origins, destinations, stopping patterns and journey times of the rail services; and
 - Standard regular services will be taken into account, rather than infrequent variations in stopping patterns.
- (iii) Any specific market segment(s) targeted by the rail service, such as the business or leisure markets, or special services operated only on specific days or at specific times (including peak or off-peak services).

3.4 If a TOC considers that it should receive a discount on the basis that its rail service is similar to an existing rail service that already benefits from a discount, then it should provide HS1 Ltd with details of the planned rail service and an analysis of expected traffic flows and revenues, as described above. HS1 Ltd will compare this with its own information on the relevant existing rail service in order to determine whether or not the two rail services are similar.

3.5 If a rail service is considered to be similar to an existing service that benefits from a discount, a similar discount scheme will be established, applying the terms of the existing discount to the new service, in terms of the level of discount and the start and end dates. In order to offer the same terms to TOCs serving the same markets, the end date for the new discount scheme will be the same as for the existing scheme regardless of the commencement date of the new service. For example, TOC 1 may be provided with a discount from December 2018 to December 2022 for a particular rail service. In December 2020 TOC 2 starts a new service that is considered by HS1 Ltd to be similar under the three criteria above. TOC 2 will receive the discount from the commencement of its service through to December 2022, rather than for a four-year period. This will ensure that at any one point in time all TOCs receive similar discounts for similar services.

3.6 Any conditions to obtaining the discount will also apply to both services (see Test 5). In the case of a condition on minimum service levels, TOC-specific minimum levels will apply, based on the plans set out in the TOC's discount application. If a similar discount scheme is established under this Test 1, Tests 2-6 will not be applied but Test 7 will still be applied.

3.7 If a rail service is not considered to be similar to an existing rail service that benefits from a discount, Tests 2-7 will be applied, in sequential order, to determine whether or not a new discount scheme should be established by HS1 Ltd.

⁵ Appendix A sets out an example of how this will be calculated.

Test 2: Are new discount schemes available on HS1?

- 3.8 To enable HS1 Ltd to decline to offer new discounts when HS1 is nearing capacity, Test 2 is designed to allow the general availability of discounts to be withdrawn. This may be necessary when there is a risk that the operation of discounted services could crowd out better used and/or more profitable undiscounted services. This test considers the general availability of discounts to all TOCs and will be applied consistently to all TOCs and all discount applications.⁶
- 3.9 The availability of new discount schemes will be reviewed internally by HS1 Ltd, normally on an annual basis, although the availability may also be changed by HS1 Ltd when there is a material change in circumstances, in particular which results or is expected to result in a significant change in the utilisation of HS1. HS1 Ltd's internal review of the availability of new discount schemes will not involve industry consultation, although the determinations, which will specify in which years discounts are available, will be notified to the ORR and set out in the HS1 Network Statement.
- 3.10 When determining whether or not new discount schemes should generally be available, HS1 Ltd will consider the availability of spare capacity on HS1. Where HS1 has been declared to be 'congested' (under Regulation 26 of the Rail Regulations 2016), it is expected that new discount schemes will not be available, although HS1 Ltd may wish to restrict the availability of new discount schemes before HS1 becomes fully utilised. In general, if HS1 is considered to be 'considerably under-utilised', as referenced in the Rail Regulations 2016, HS1 Ltd would expect to offer new discount schemes.
- 3.11 While in principle, HS1 has the capability for 20 international rail services or 16 domestic rail services per hour in each direction, in practice capacity on HS1 is more limited than this because of the mix of services, in terms of operating speeds and stopping patterns, or constraints on other railway infrastructure networks. Whether or not HS1 is considerably under-utilised will therefore be determined by HS1 Ltd by assessing:
- The proportion of capacity currently being utilised;
 - The ability to satisfy new requests for services without significant disruption to existing service patterns/timetables;
 - Likely future growth in demand for train paths for existing and planned rail services; and
 - Market conditions.
- 3.12 Ultimately, the decision whether or not to make discount schemes generally available will be at the commercial discretion of HS1 Ltd. If discount schemes are to be offered, they will be made available to all TOCs on a transparent and non-discriminatory basis, applying the criteria described in this Annex. If at any time, HS1 Ltd decides that new discount schemes are not to be offered, any existing discount schemes will remain in place until their agreed termination date, subject to paragraph 2.11 above.
- 3.13 Discount schemes will normally be offered over the entirety of HS1 infrastructure, for the purposes of defining the 'specified infrastructure section' under paragraph 6(5) of Schedule 3 of the Rail Regulations 2016, although HS1 Ltd reserves the right to specify that discounts are only available over specific sub-sections depending on the assessment of capacity described above.

Test 3: Is the rail service of a type that is eligible for a discount?

- 3.14 Discounts will not be offered for domestic rail services that are specified by Government in the South Eastern franchise agreement (or in any equivalent instrument that replaces it) because the

⁶ Except where a similar discount scheme is to be applied to a similar service, as under Test 1.

provision of discounts for such services would neither encourage the development of new services nor improve the utilisation of HS1. The only exception to this is where additional services are specified by Government over and above the services specified in the South Eastern franchise agreement and where a case can be made by Government that these additional services are only viable with an IRC discount.

- 3.15 IRC discounts may also be available to a domestic franchise operator for services that are not specified by Government, where the effect of offering a discount would be to encourage the operation of additional services.
- 3.16 All other rail services, existing and proposed, that would normally be charged IRC are eligible to be considered for discounts.

Test 4: Is the rail service commercially viable without any discount?

- 3.17 This test is designed to ensure that discounts are targeted at encouraging rail services that might not otherwise have a commercial case and which could not operate sustainably without a discount. If, without being offered a discount by HS1 Ltd, a rail service is assessed as not being commercially viable in the short term (during the proposed discount period), taking into account revenues, costs and any public sector subsidy, but if it has reasonable prospects of long-term viability, then it will be eligible for a discount on IRC. TOCs will not normally be offered discounts for rail services that are commercially viable over the discount period and the full IRC is expected to be charged for profitable services.
- 3.18 Criteria that will be considered in determining whether or not a rail service is commercially viable over time include:
- Forecasts of passenger demand and revenues and any significant uncertainties in the forecasts;
 - Forecast operating costs, including staff costs, rolling stock costs and infrastructure charges (including any other discounts), together with any necessary investments and their payback period;
 - The availability of any public sector support – which may improve commercial viability for the TOC; and
 - The expected profit/loss of the rail services during the proposed discount period, taking into account the above factors, and expected changes over time.
- 3.19 In order to satisfy these criteria, applicants will be expected to provide evidence of:
- The market for the rail service and forecasts of traffic and revenue;
 - The likely demand response to any reduction in fares facilitated by IRC discounts, such as fares elasticities;
 - Estimated operating costs and the relative importance of HS1 infrastructure costs;
 - Any expected public sector support, or requests for discounts from other infrastructure managers; and
 - The business case for the rail service.
- 3.20 Any evidence provided will be held in confidence by HS1 Ltd and will not be released other than to the ORR for the purposes of the approval of Framework Track Access Agreements or in the event of an appeal or dispute.

Test 5: What terms of discount are required to secure operation of the rail service?

3.21 Under this test, the appropriate level, profile and duration of any discount will be determined and, once agreed, will be published in the HS1 Network Statement. In general, HS1 Ltd will offer the minimum level and duration of discount required to secure the sustainable operation of the rail service, taking into account the following factors:

- Any financial contribution towards securing the viability of rail services is expected to be shared between HS1 Ltd (in the form of discounted IRC), the TOC, other infrastructure managers and, where appropriate, the relevant public authorities;
- The duration of the discount period will normally be between one and four years, unless a strong case for an alternative duration is put forward by the TOC. Discounts will always be time-limited;
- It may be appropriate to profile the level of discount over time to reflect anticipated improvements in commercial viability or major uncertainties in the forecasts; and
- Discount levels will be capped to reflect any Capacity Reservation Charge that may be foregone if new services are operated.

3.22 At the end of the discount period, the discount scheme will cease and a new application would need to be made in advance to secure any further continuation of discounts by way of a new discounting scheme. However, it is considered unlikely that discounts would be extended in this way as HS1 Ltd wishes to encourage the development of services that will be sustainable in the long run, rather than subsidise services that are unlikely ever to be profitable.

3.23 The terms of the discount may also include conditions on the TOC, such as:

- The operation of minimum rail service levels during the period of discount, based on the TOC's plans as submitted in the discount application, subject to a limited degree of flexibility for the TOC;
- The provision of appropriate information to HS1 Ltd, for monitoring the effects of any discount scheme, and to enable HS1 Ltd to better develop discount schemes in the future. This data, which will be held in confidence, may include:
 - Passenger numbers and revenue per seat; and
 - Cost per seat.

3.24 If any agreed conditions are breached, HS1 Ltd will normally require to be held harmless financially. Subject to the agreement of the ORR, it therefore reserves the right to review and amend the terms of the discount scheme in order, for example, to adjust IRC discount levels to compensate for lower than agreed rail service levels or for costs incurred in data collection. In these circumstances, the adjusted IRC levels will not exceed the full undiscounted IRC on a per train basis.

Test 6: Is HS1 Ltd better off commercially with the discount scheme?

3.25 HS1 Ltd is a commercial company, with responsibilities to its shareholders, and needs to ensure that any agreed discount schemes are in its commercial interests. This means in practice that HS1 Ltd will require the impacts of any discount schemes to increase usage of HS1 in order to at least offset the impacts of discounting IRC for a particular service.

3.26 In determining the financial impacts on HS1 Ltd, the following factors will be taken into account:

- The number of trains that would be operated with the discount in place compared with the number of trains that would be operated in the absence of any discount;
- IRC revenues with and without the discount scheme, taking into account expected numbers of trains and discounted or full IRC levels;

- Any consequential impacts on the applicant's Capacity Reservation Charges; and
 - The impact on HS1 Ltd's IRC revenues for any existing or planned rail services, including any discounts that might apply to those existing services.
- 3.27 In considering the final point above, HS1 Ltd may take into account any market information provided by other TOCs currently operating services on HS1 or by TOCs planning to operate such services in future.
- 3.28 It may also be necessary to consider any knock-on impacts on HS1 Ltd's revenues from OMRC payments or the performance regime, as these may change when new services are introduced. This is particularly the case if the introduction of a new service results in a change in total train movements of more than 4%, as this would result in recalibration of both OMRC and the performance regime.
- 3.29 If it is not in HS1 Ltd's commercial interests to offer discounts for a specific service, then a discount scheme will not be established. This does not override the obligation to provide similar discounts for similar services (Test 1).

Test 7: Are there any adverse competition impacts?

- 3.30 The final test is to ensure that any discount awarded for the operation of services over HS1 would not infringe applicable competition law.
- 3.31 HS1 Ltd will assess discount schemes in order to identify whether they might result in HS1 Ltd charging one TOC a higher amount than another in relation to a relevant market on which both TOCs compete and, if so, whether the difference in charges is objectively justified. This assessment will be carried out using the market information provided by the applicant and also HS1 Ltd's knowledge of the rail markets served by other existing or potential TOCs on HS1. HS1 Ltd will not award a discount if it is considered likely to infringe applicable competition law, and where necessary it may modify the terms of a proposed new discount scheme in order to ensure compliance with applicable competition law.
- 3.32 If there are considered to be no adverse competition impacts, then either a new discount scheme will be established under the terms determined in Test 5 or a discount scheme similar to an existing one will be established according to the terms in Test 1, as appropriate.

4. Process for applying for discounts

- 4.1 HS1 Ltd will be responsible for assessing TOCs' applications for discounts and determining whether or not a discount will be offered, in line with this discount policy. Discussions will be held between HS1 Ltd and TOCs where necessary to clarify any aspects of the application. Any discounts agreed between HS1 Ltd and a TOC will need approval from the ORR, as will new or amended Framework Track Access Agreements. TOCs can also appeal to the ORR if they are unable to reach agreement with HS1 Ltd on whether a discount should be provided, or the terms of such a discount. Approved discount schemes will be published in the HS1 Network Statement.
- 4.2 The discount application process for TOCs will be as follows:
- (i) **Informal discussions with HS1 Ltd.** TOCs are encouraged to engage informally with HS1 Ltd at an early stage in order to gain an understanding of whether a discount might be available in principle. If required, a meeting will also be held with ORR, at this stage or later in the process.
 - (ii) **Formal application to HS1 Ltd.** Information should be provided to HS1 Ltd in the form set out below in paragraph 4.5.

- (iii) **HS1 Ltd indicative response and consultation.** Within six weeks of all necessary information being provided by the TOC, HS1 Ltd would generally expect to provide an indicative response to the applicant. At the same time, HS1 Ltd would generally expect to notify any TOCs that are currently operating rail services on HS1 (and any TOCs that HS1 Ltd is aware are considering operating rail services in future) that a discount has been requested for the relevant rail service. No confidential or more detailed information would be provided, but consultees would be invited to make any general representation to HS1 Ltd that they considered relevant to decision-making around the possible granting of the discount.
- (iv) **HS1 Ltd decision.** If, within two weeks of the indicative response and consultation, any new information is provided by TOCs in response to the consultation on the draft discount scheme, this will be reviewed and a final decision made on whether a discount scheme will be offered and on what terms.
- (v) **Request for approval of discount scheme to the ORR.** HS1 Ltd will draft the necessary elements of the track access agreements, or a supplemental agreement as appropriate, incorporating the terms agreed with the TOC. HS1 Ltd will need to consult on the Framework Track Access Agreement or supplemental agreement in accordance with ORR's criteria and procedures. HS1 Ltd will then submit a request to the ORR for approval of the proposed discount. This may include some or all of the information provided by the TOC in its application to HS1 Ltd.
- (vi) **ORR approval of Framework Track Access Agreement.** The ORR will determine whether it approves the Framework Track Access Agreement or supplemental agreement, including the proposed discount scheme, in accordance with its published criteria and procedures for the approval of framework agreements for HS1.
- 4.3 The minimum time required to reach agreement on a discount application, from receipt by HS1 Ltd of a fully detailed application to approval by the ORR of the Framework Track Access Agreement, is expected to be around four months. If the discount scheme application refers to a new service, requiring a new Framework Track Access Agreement, the process will take longer, in line with the general procedures set out in ORR's criteria and procedures.
- 4.4 The discount application process will need to take place in parallel with processes for the application for track and station access and, in the case of a new TOC, any required operating licences, vehicle acceptance processes and other general safety requirements.
- 4.5 The information that will need to be provided to HS1 Ltd in a discount application has already been described in section 3 above, but for completeness is summarised below:
- Details of the proposed rail service:
 - Origin, destination, stopping pattern, frequency, duration, nature of service; and
 - Level of service that will be operated if discount is not offered.
 - Evidence that the proposed rail service is not commercially viable without discounted charges, including in relation to:
 - The market for the rail service and detailed forecasts of traffic and revenue;
 - The likely demand response to any reduction in fares facilitated by discounted access charges;
 - Estimated operating costs and relative importance of HS1 infrastructure costs;
 - Any expected public sector support or contribution from other infrastructure manager(s); and

- Business case for the proposed rail service – presenting the case with and without the discount.
- Proposed terms of discount:
 - Percentage discount on IRC; and
 - Profile and duration of discount.

4.6 Information provided by TOCs in support of applications for discounts will be held in confidence by HS1 Ltd except if it is required to be released to the ORR as part of the approval process of a Framework Track Access Agreement or supplemental agreement as appropriate (or in relation to any dispute or appeal).

Appendix A: Calculation of Common Traffic Flows under Test 1

Example 1: Common traffic flows provide more than 75% of revenues on both services.

1. In this example, TOC X operates service 1 and currently benefits from a discount scheme for the service. TOC Y is planning to start a new service, service 2, to the same origins and destinations, with only minor differences in stopping patterns (service 2 does not serve station C) and wishes to understand whether a similar scheme would apply to service 2 on the basis that it is a similar service.
2. The flows common to both services are A – B, A – D and B – D. These comprise 78% of revenues on service 1 and 100% of revenues on service 2 as the services are targeting similar markets. Therefore, for the purposes of criteria (i) of Test 1, the two services are considered to be similar and a similar discount scheme may be established. An assessment would also need to be made as to whether the services are similar under criteria (ii) and (iii) of Test 1, although that is not considered here.

| TOC X: Service 1 | | | TOC Y: Service 2 | | |
|-----------------------------|------------|--------------------|-----------------------------|------------|--------------------|
| | | | | | |
| Flow | Revenue | % of total revenue | Flow | Revenue | % of total revenue |
| Flow A – B | 50 | 11% | Flow A – B | 20 | 9% |
| Flow A – C | 50 | 11% | | | |
| Flow A – D | 200 | 44% | Flow A – D | 150 | 68% |
| Flow B – C | 50 | 11% | | | |
| Flow B – D | 100 | 22% | Flow B – D | 50 | 23% |
| Total revenue | 450 | 100% | Total revenue | 220 | 100% |
| | | | | | |
| Common traffic flows | 350 | 78% | Common traffic flows | 220 | 100% |

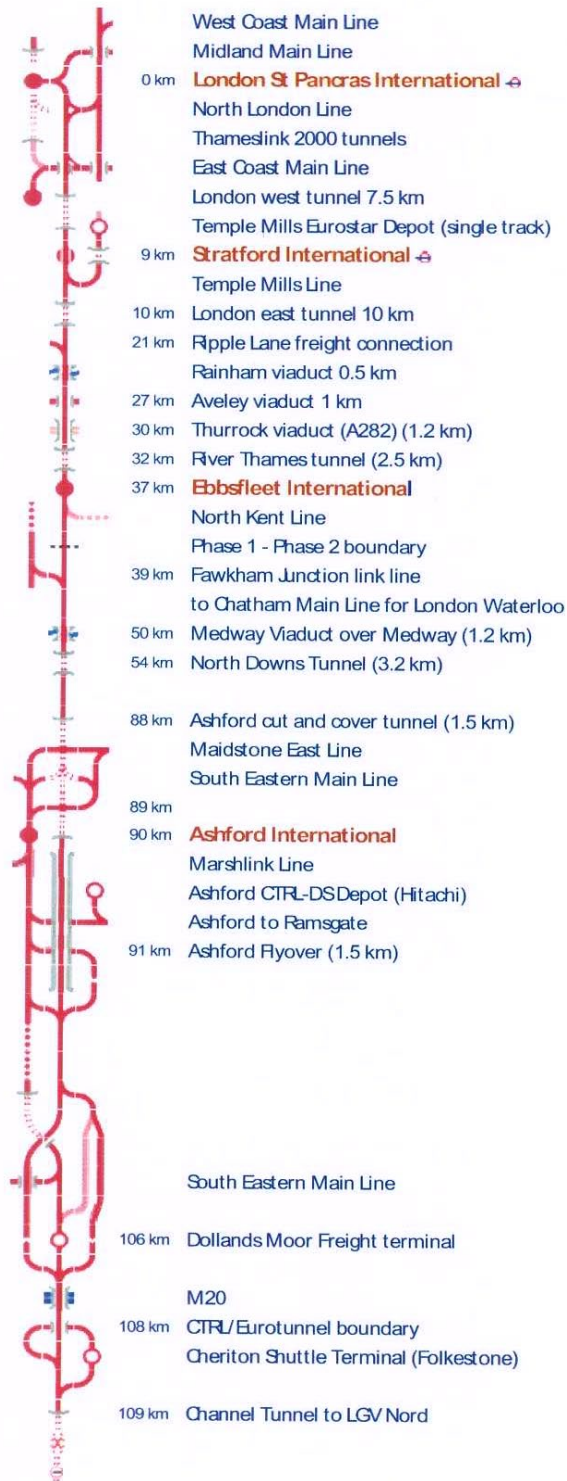
Example 2: Common traffic flows do not provide more than 75% of revenues on both services.

3. In this example, the two services again serve a set of common traffic flows, A – B, A – D and B – D. However, in this instance, traffic flow A – C is much more important in the overall route economics of service 1, contributing half of total revenue, and this means that common traffic flows only provide 33% of revenue for this service. HS1 Ltd would therefore assess that services 1 and 2 are not similar as they are focusing on different markets and so a similar discount scheme will not be applied to service 2, regardless of whether it satisfies the other two criteria of Test 1.

| TOC X: Service 1 | | | TOC Y: Service 2 | | |
|-----------------------------|------------|--------------------|-----------------------------|------------|--------------------|
| | | | | | |
| Flow | Revenue | % of total revenue | Flow | Revenue | % of total revenue |
| Flow A – B | 50 | 8% | Flow A – B | 20 | 9% |
| Flow A – C | 300 | 50% | | | |
| Flow A – D | 50 | 8% | Flow A – D | 150 | 68% |
| Flow B – C | 100 | 17% | | | |
| Flow B – D | 100 | 17% | Flow B – D | 50 | 23% |
| Total revenue | 600 | 100% | Total revenue | 220 | 100% |
| | | | | | |
| Common traffic flows | 200 | 33% | Common traffic flows | 220 | 100% |

4. Service 2 may nevertheless be eligible for a new discount scheme, if TOC Y can demonstrate that it satisfies Tests 2 – 7.

ANNEX 4 ROUTE MAP OF HS1



ANNEX 5 TIMETABLE DEVELOPMENT CALENDAR

| Weeks Prior (D) | Activity | December 2023 PCD | May 2024 SCD |
|------------------------|--|--------------------------|---------------------|
| 67 | HS1 issue timetable process dates for both Principle and Subsidiary Change Dates | 21/07/2023 | 22/12/2023 |
| 55 | TOC advice to HS1 of significant changes to the timetable | 24/11/2023 | 26/04/2024 |
| 48 | Provisional handover of paths between ET/NRIL | 12/01/2024 | 14/06/2024 |
| 40 | Priority Date (TOC Access Proposal) | 08/03/2024 | 09/08/2024 |
| 22 | HS1 Formal Offer (NWT Published) | 12/07/2024 | 13/12/2024 |
| 0 | Timetable Change Date | 15/12/2024 | 18/05/2025 |

ANNEX 6 HS1 STATION ENHANCEMENTS POLICY

The Station Enhancements Policy is available on HS1's website at the following link:
<https://highspeed1.co.uk/regulatory/access-new-operators>

The policy sets high-level principles for how to approach station enhancement projects (the key principle being that the beneficiary pays), while allowing for each project to be treated on a case-by-case basis.

Stakeholders may propose changes to the Policy at any time by contacting HS1's Regulatory Team. HS1 will consult stakeholders on the Station Enhancements Policy, and any proposed changes to it, on a regular basis.