# Transport for London

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Chinua Labor,
Regulatory Contracts Manager,
High Speed One.

Geoff Jones,
Head of Regulation,
High Speed One.

22nd November 2013

Dear Chinua and Geoff,

**HS1 Ltd Five Year Asset Management Statement Consultation**

This letter sets out the views of TfL concerning HS1 Ltd's consultation on their Five Year Asset Management Statement. TfL is content for this response to be published and shared with third parties.

TfL's only comments relate to the proposed policy regarding freight charges. TfL notes the intention to increase the train kilometre charge for freight from £8.10 to £31.05, a very significant increase. This is likely to have an adverse impact on the number of freight services using HS1 which is already well below the anticipated levels. There seems little value in taking this approach when it is likely that it will only result in capacity being left unused on HS1 Ltd.

The suggested policy does not align with Proposal 2 in the Mayor's Transport Strategy which supports the development of more freight terminals in or near London, including connections to HS1 to facilitate the movement of international rail freight to and from the capital. The proposed redevelopment of the Barking Riverside area supports the retention and enhancement of warehouses and other commercial facilities adjacent to the existing rail lines in the area (including HS1). It is disappointing that the approach to charges suggested by the Asset Management Statement does not support the jobs growth that the enhancement of existing facilities at Barking Riverside would offer by supporting international rail freight flows.

TfL considers that HS1 Ltd should reconsider its approach to freight charges during CP2 to ensure that they are set at a level that maximises the use of HS1 by international freight services, whilst covering the marginal costs imposed by freight operations. Such an approach would support the ongoing development of London's economy. At the very least HS1 Ltd should reconsider the potential for growth in the international rail freight market to ensure that any assumptions made concerning the volume of freight train movements during CP2 are correct, as this is the key factor driving the large increase in costs that has been proposed. TfL notes that additional freight services (operated by Transfesa) have recently been diverted onto HS1, increasing annual freight workings on HS1 to 520 from the 208 quoted in the Asset Management Statement. This change should certainly be accounted for when the CP2 freight charges are determined.

Yours sincerely,

**Alan Smart,**
**Principal Planner – Forecasting,**
**Rail Planning team.**