LONDON ST.PANCRAS HIGHSPEED | THE JOURNEY AHEAD

APRIL 2025

HS1 LIMITED NETWORK STATEMENT

GLOSSARY

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 which has the power or duty to secure the provision of public passenger transport services in a particular geographical area or any other body authorised to exercise such power or duty)
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 design, construction, financing, operation, repair and maintenance of HS1
CTRL	Channel Tunnel Rail Link, former name of HS1
Control Period	The period from 1 April 2020 to 31 March 2025 and thereafter each subsequent period of five successive Relevant Years or as otherwise reset by the ORR as part of an Interim Review provided that such reset period cannot exceed five successive Relevant Years
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
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	Disputes Resolution Agreement relating to the Resolution of disputes arising from or concerning the design, construction, financing, operating and maintenance of HS1, as updated from time to time
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 Rule Book as updated
HS1 Sectional Appendix	The Sectional Appendix as updated
HS1 Standards	The Standards as updated
International Growth Incentive Scheme	The incentive scheme for the discounting of international high-speed passenger services set out in Annex 3 of this Network Statement
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
OMRC	Operations, Maintenance and Renewals 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. The Rail Regulations 2016 were amended by the Railways (Access, Management and Licensing of Railway Undertakings) (Amendment) Regulations 2019, the Railways (Access Management and Licensing of Railway Undertakings) (Amendments etc.) (EU Exit) Regulations 2019 and the Public Service Obligations in Transport Regulations 2023. Available to view online: https://www.legislation.gov.uk/uksi/2016/645
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
RINF	HS1 Register of Infrastructure (RINF) which makes reference to the Infrastructure, Energy, and Control-Command and Signalling NTSNs
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
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
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 signaling 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

CONTENTS

1 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"). The 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. Certain pieces of railway legislation were "sunset" at the end of 2023, while 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 Network Code, HS1 Operational Codes and Passenger Access Terms / Freight Access Terms.

1.4.2 Liability

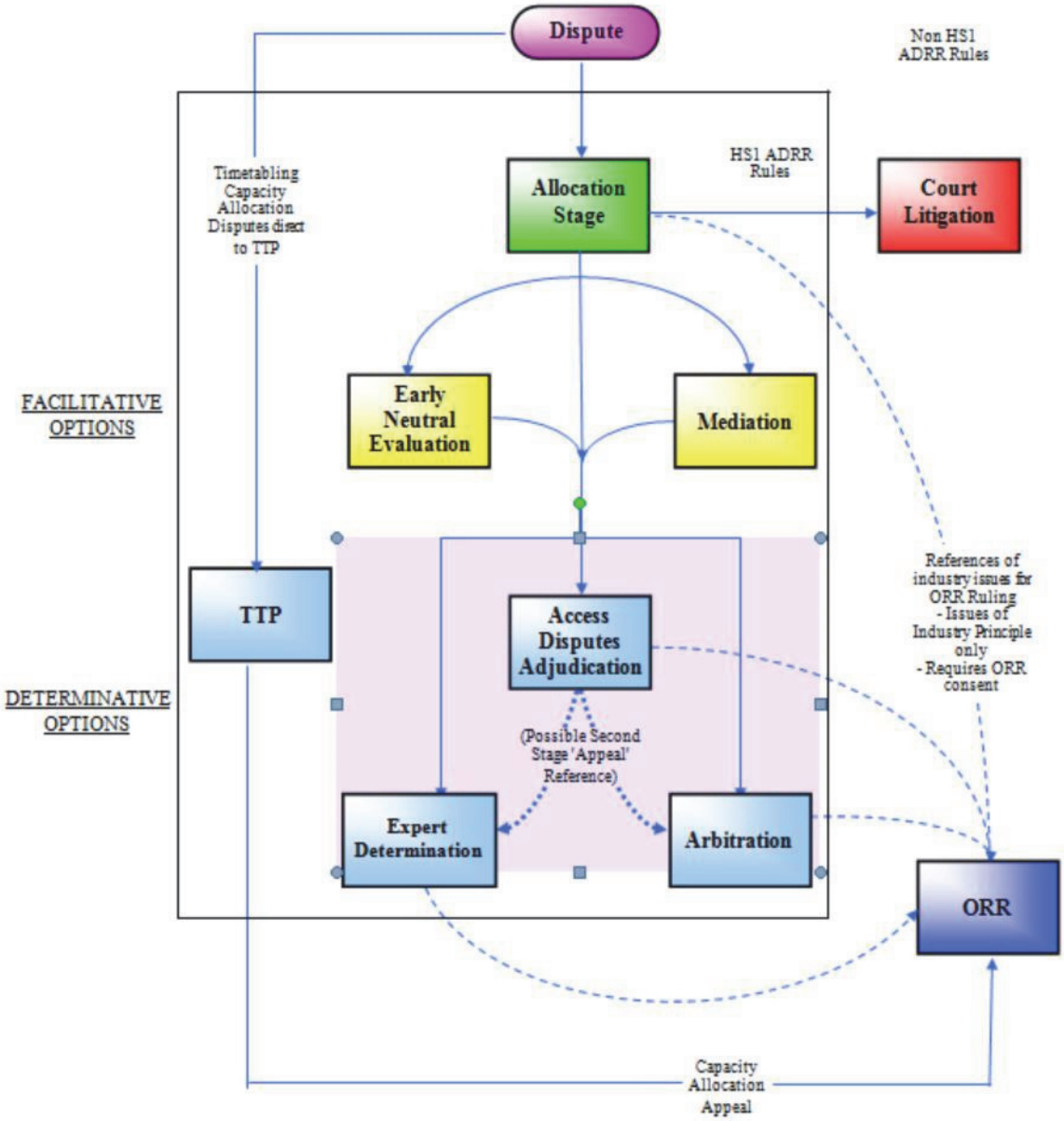
Reasonable efforts have been made to ensure that the information provided in this Network Statement is accurate. Whilst the Infrastructure Manager is responsible for keeping the Network Statement up to date and in compliance with the Rail Regulations 2016, it does not accept any liability for errors, 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. 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 otpher 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 2026 Network Statement is for use for capacity requests for the 2026 timetable year (14 December 2025 to 12 December 2026).

The next scheduled update is in August 2025. This Network Statement will also be updated and republished 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/kpfhrm2h/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 co-ordinated 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. The regulatory statement setting out the approach to the regulation of High Speed 1 is available via the following link: https://www.orr.gov.uk/sites/default/files/om/hs1-regulation-orr-statement-301009.pdf

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 Manger 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

The industry is currently going through the PR24 process to determine the regulatory framework for Control Period 4 (CP4). In May 2024 the Infrastructure Manager published the Five Year Asset Management Statement for Control Period 4, which is available via the following link:

https://highspeed1.co.uk/media/dhqlwf2/hs1-ltd-final-5yams.pdf

The ORR will publish its Final Determination for CP4 in February 2025.

2. 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 provided 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 by the Railway (Licensing of Railway Undertakings) (Amendment etc.) (EU Exit) Regulations 2019), 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) where the TOC is providing train services involving travel through the Channel Tunnel; or

(b) where 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 (as amended) ("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 SMS allows them to run their transport system safely. ORR will focus on checking that SMSs 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

The HS1 template Framework 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.

Track Access Agreement

An Applicant seeking more flexible access to the HS1 network can choose to enter into a Track Access Agreement. Under a Track Access Agreement the Applicant will not be expected to commit to operating a specified level of service. An Applicant will not need to obtain the approval of the ORR prior to entering into or amending a Track Access Agreement. However, Track Access Agreements do not guarantee capacity on the network and its duration cannot exceed a single Timetable Period. Track Access Agreements will need to be renewed upon expiry.

Access Terms

By entering into a Framework Track Access Agreement or 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 or Track Access Agreement (as applicable) are governed by the HS1 Passenger Access Terms. The Passenger Access Terms are 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:

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

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

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 performance improvement planning and monitoring.

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 Performance Data Accuracy 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." Compliance with them 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 pilots; 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". The carriage of Dangerous Goods by international rail is governed by the Regulations Concerning the International Carriage of Dangerous Good by Rail' or 'RID' of the Convention concerning International Carriage by Rail ('COTIF 1999'). The Carriage of Dangerous Goods and Use of Transportable Pressure Equipment Regulations 2009 (as amended) apply in Great Britian. 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 Iss 1.1 (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 keep a register of its infrastructure or procure that a register is kept. The register must meet the specifications set out in the Commission Implementing regulation (EU) 2019/777 repealing implementing decision 2014/880 EU. The register must be made available 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 the HS1 Regulatory Team on Regulation@highspeed1.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 (as amended). This sets out the requirements that all train drivers must adhere to in order to operate trains on UK infrastructure, including holding a valid licence and certificate, and the criteria required to obtain them.

3. 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 contracted with NR(HS) to operate, maintain and renew 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 ABM Technical Solutions Limited to operate, maintain and renew 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. London Underground and Thameslink are also not part of HS1 at St Pancras. Ebbsfleet International Station, Stratford International Station and the international section of Ashford International Station are 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 operations that service the network.

3.2.2 Connected Railway Networks

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

Location	/Infrastructure Manager
St Pancras (North London Line)	/NRIL
St Pancras (Midland Main Line)	/NRIL
St Pancras (East Coast Main Line)	/NRIL
Ripple Lane	/NRIL
Springhead Junction	/NRIL
Fawkham Junction (Waterloo Connection)	/NRIL
Ashford Connecting Lines	/NRIL
Dollands Moor Freight Connection	/DB Cargo (UK) Limited
Cheriton	/Eurotunnel
Temple Mills	/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

Most of HS1 is a double-track railway, including connections with the NR Network (see section 3.2.2). The exceptions are Midland Main Line, North London Line, Temple Mills and Dollands Moor connecting lines which are single track. The station areas at St Pancras International, Stratford International and Ebbsfleet International have multiple tracks. All double-track 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 International and Ebbsfleet International 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 on 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 and Midlands. Three platforms (nos. 11 to 13 inclusive) are for use by high-speed domestic services to and from Stratford International, Ebbsfleet International, Ashford International and North and East Kent. Platforms 1-13 are elevated above ground level, and all are accessible via escalators, lifts or stairs.

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 at the address set out in section 1.8.1.

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 in an open cutting below ground level and reached by escalators, stairs 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 small 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. Currently no international services are running from the station. 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 small 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 small number of retail units, arrival and departure passenger information screens and a number of public car parking facilities.

Ashford International Station is operated by ABM Technical Solutions Limited. Currently no international services are running from the station. SETL Trains are 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 NTSN (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

All international platforms 5 to 10 are designed to a UIC71 loading envelope equivalent to an interoperable passenger train having axle loading of 18 tonnes and without restriction.

□	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 Train Lengths

The lengths permitted for rolling stock that will operate on the HS1 are as indicated in the table below (excluding exceptional transports):

- Nominal International Passenger 400m
- Maximum Domestic Passenger 276m
- Maximum 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) NTSN 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 NTSN. 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 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

Dangerous goods are permitted subject to compliance to regulations already outlined in Section 2.6, 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 the 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 defined Station and sets out the conditions of access 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 TOCs (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 is a freight yard near Folkestone in Kent. DB Cargo (UK) Limited ("DBC") is the facility owner of this freight yard. 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 a TOC will 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/kpfhrm2h/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 of this Network Statement details the timetable development schedule for the effective timetable on the Principal Change Date (December 2025) and Subsidiary Change Date (May 2026).

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 into 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 & SETL 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 the 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 a 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. The response times for Train Operator Variation Requests are set out at para 3.3.6 of Part D of the Network Code.

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.

Secondly, the decision criteria take account of 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) 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;

(j) 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 passenger 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/traffic-management/incident-management/

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 signaling, 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 section 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. This monitors for hot axle boxes, hot wheels and wheel impact on the rail.

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

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

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;

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; and

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.

The HS1 Concession Agreement document can be found here:

https://highspeed1.co.uk/media/ra0a1fq0/supplement-to-concession-agreement-july-2022.pdf

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.

Implementation

The IRC per train per minute is £125.38 (April 2024 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 2024 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	£3,886.90	£3,886.90	£1,755.38	£1,880.76	£2,068.84

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).

Discounts

The Rail Regulations 2016 permit infrastructure managers to discount the access charges they levy. Specifically, under paragraph 6(2) of Schedule 3 of the Rail Regulations 2016, the Infrastructure Manager may apply discounts to administrative cost savings. The Infrastructure Manager does not offer discounts in line with paragraph 6(2) because any administrative costs are reflected in the amount of OMRC it levies, and discounting OMRC outside of Periodic Reviews every five years would risk the under-recovery of costs for the operation, maintenance and renewal of HS1.

Under paragraph 6(3) of Schedule 3 of the Rail Regulations 2016, the Infrastructure Manager also has the right to grant time-limited discounts of access charges to encourage the development of new rail services on specified traffic flows, or the use of considerably under-utilised lines. In doing so, the Infrastructure Manager must ensure that any discount scheme it offers is consistent with the Concession Agreement, is available to all TOCs using HS1 and the traffic flows the Infrastructure Manager specifies, is applied in a non-discriminatory manner to those TOCs, and applied similarly to similar services.

The Infrastructure Manager has developed the International Growth Incentive Scheme in Annex 3 of this Network Statement in accordance with paragraph 6(3) to offer IRC discounts in a non-discriminatory manner to all international high-speed passenger TOCs using and wishing to use HS1 to encourage the development of new international high-speed passenger services. The scheme is intended to help reduce the costs of introducing new international high-speed passenger services on HS1 and thereby incentivise their introduction. The scheme does so by offering targeted IRC discounts of the train path costs those new services will incur in order to operate on HS1. More detail on the scheme can be found in Annex 3.

TOCs are encouraged to engage informally with the Infrastructure Manager should they wish to put forward alternative discounting proposals to the International Growth Incentive Scheme, as all other rail services that would normally be charged IRC are eligible to be considered for discounts in order to facilitate their operation on HS1. For example, the Infrastructure Manager will consider IRC discounts of domestic passenger services where discounting would encourage additional, sustainable operation.

Any discussions between the Infrastructure Manager and a TOC about any alternative discount scheme must be carried out with ORR oversight under Regulation 31(3) of the Rail Regulations 2016, requiring regular updates by the Infrastructure Manager in order that the ORR can ensure regulatory and broader competition law compliance. Any agreed alternative discount must be compliant with the Rail Regulations 2016 and competition law.

The key terms of any alternative discount scheme must be published in an updated Network Statement, and the precise terms 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 the Infrastructure Manager and TOCs.

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 GSM-R 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:

- £1.31 per minute (April 2024 prices) subject to indexation for international passenger services; and
- £0.48 per minute (April 2024 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	£40.55	£14.79	£6.68	£7.16	£7.87

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. OMRCA1) 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. OMRCA2 and OMRCB) 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. OMRCC) 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 2024 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)	£5.40	£2.16	£2.16	£2.16	£2.16
OMRC per train per minute (other charges)	£88.09	£69.58	£69.58	£69.58	£69.58
OMRC per train service	£3,331.63	£2,355.14	£1,059.66	£1,129.25	£1,233.62

Review

[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.

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. We are in the process of amending the Access Terms to reflect this. 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 2024/25 at each Station are as follows:

	St Pancras International	Stratford International	Ebbsfleet International	Ashford International
Annual QX (April 2024 prices – subject to indexation)	£29.7m	£4.7m	£5.1m	£2.4m

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 2024 prices – subject to indexation)	£7.9m	£1.6m	£1.7m	£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 2024/25, the Freight OMRC charge is £16.91 (April 2024 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 2024/25 the Ripple Lane Charge is £113.90 per train movement (April 2024 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 nondiscriminatory 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, AIRC and the Capacity Reservation Charge is to be made by the passenger TOCs quarterly in advance. Charges are subject to wash-up provisions in respect of Spot services and RPI adjustments. 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 by 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 (i.e. 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 INTERNATIONAL GROWTH INCENTIVE SCHEME

1. DEFINED TERMS

1.1 Capitalised terms used in this International Growth Incentive Scheme shall have the following meanings:

Access Proposal	means a written proposal from a TOC to the Infrastructure Manager setting out the TOC's requirements in relation to a New Working Timetable, including specifying its wish to Exercise any Firm Rights or Contingent Rights and/or make changes to any Train Slot included in any previous timetable
Advance Period	means any of the following periods: (a) the first three Periods in a Relevant Year; (b) the three Periods comprising the fourth, fifth and sixth Periods in any Relevant Year; (c) the three Periods comprising the seventh, eighth and ninth Periods in any Relevant Year; and (d) the final four Periods in any Relevant Year
Ancillary Movement	means a train movement which is not an express part of any Services but which is necessary or reasonably required for giving full effect to the train movements which are an express part of a Service and shall include any such train movement as is referred to in paragraph (c) of the definition of 'Services' to the extent that it is not expressly provided for in a Framework Track Access Agreement
Applicable Timetable	means, in respect of a Day, that part of the Working Timetable in respect of that Day which is required to be drawn up in accordance with Condition D2.1.1 of Part D as at 2200 hours on the Day prior to that Day, and which is applicable to the Trains
Applicable Timetable Planning Rules	means the Timetable Planning Rules in force in respect of the Routes on the date the relevant Framework Track Access Agreement comes into effect, as from time to time amended or replaced under Part D
Authorised Variation	means a variation to an Established Network Change where: (a) the terms and conditions on which the Network Change in question was established contain a variation procedure; (b) that variation procedure has been followed in accordance with its terms; and (c) the result of the operation of that variation procedure is that the Established Network Change has been varied
Change of Law	means the application to any person of any Legal Requirement which did not previously so apply or the change of any Legal Requirement applying to that person (including

	any such Legal Requirement ceasing to apply, being withdrawn or not being renewed) other than in relation to: (a) corporation tax (or any other tax of a similar nature replacing corporation tax on profits or gains); or (b) Value Added Tax
Channel Tunnel	means the existing fixed link under the English Channel between the southern portal at the Department of Pas-de-Calais in France and the northern portal in the County of Kent in England together with the terminal areas associated therewith
Chargeable Journey Time	means the chargeable journey time specified in column E of Part 2 of Schedule 4 (Track Charges) of the Framework Track Access Agreement
Competent Authority	means any local, national or supra-national agency, authority, department, inspectorate, minister, ministry, official, court, tribunal, or public or statutory person (whether autonomous or not and including the ORR and the Channel Tunnel safety authority) of the United Kingdom, which has jurisdiction over either or both of the Infrastructure Manager and relevant TOC in relation to the subject matter of, or in connection with, a Framework Track Access Agreement provided that a Competent Authority shall not include Her Majesty's Government (or any department, minister, official or nominee thereof) where acting as shareholder of the TOC in question or other than pursuant to the Crown prerogative or a statutory function or power
Competent Authority Restriction of Use	means a Restriction of Use (other than one which constitutes an Extended Disruption under and for the purposes of Condition H7 of Part H): (a) as a result of any Change of Law or any Direction of any Competent Authority other than ORR; or (b) pursuant to an agreement between the Infrastructure Manager and any Competent Authority, to the extent only that the Restriction of Use could otherwise have been required pursuant to a Direction of that Competent Authority
Concession Agreement	means the agreement (as amended or restated) made between the Secretary of State for Transport and the Infrastructure Manager granting the concession to the Infrastructure Manager for the design, construction, financing, operation, repair and maintenance of HS1
Contingent Right	means a right which is not a Firm Right and which is subject to the fulfilment of all competing Exercised Firm Rights and any additional contingency specified in Schedule 5 of the relevant TOC's Framework Track Access Agreement
Corresponding Day	means, in respect of any Day (the **First Day**): (a) a Day which is contained in the same Timetable Period as the First Day and on which the Services scheduled in the First Working Timetable applicable to that Timetable Period are the same as would have been scheduled on the First Day but for Restrictions of Use

	reflected in the First Working Timetable for the First Day; (b) if no Day is found under paragraph (a), then a Day during the equivalent Timetable Period for that time of year in the year immediately preceding the Timetable Period which includes the First Day and on which the Services scheduled in the First Working Timetable applicable to that Timetable Period are the same as would have been scheduled on the First Day but for Restrictions of Use reflected in the First Working Timetable for the First Day; or (c) if no Day is found under paragraph (a) or (b), such other Day as the parties may agree or as may be determined in accordance with paragraph 6 of Section 4 of the Passenger Access Terms
Corresponding Day Timetable	means, in relation to a Corresponding Day, the First Working Timetable applicable to the relevant Timetable Period or such other timetable as may be agreed between the Infrastructure Manager or a TOC or otherwise determined in accordance with paragraph 6 of Section 4 of the Passenger Access Terms
Criteria and Procedures	means the ORR's 'Criteria and Procedures for the approval of framework agreements on the HS1 network', as amended from time to time
Day	means any period of 24 hours beginning at 0200 hours and ending immediately before the next succeeding 0200 hours
Direction	means, in respect of a Framework Track Access Agreement, any direction, requirement, instruction or rule binding on either or both of the Infrastructure Manager and relevant TOC, and includes any modification, extension or replacement of any such direction, requirement, instruction or rule for the time being in force
Discount Factor	means the factor applied to the calculation of IRC in paragraph 2.1 of Part 2 (Track Charges) of Section 7 (Track Charges) of the Passenger Access Terms, as specified in column D of Part 2 of Schedule 4 (Track Charges) of each Framework Track Access Agreement
Disruptive Event	means 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
Engineering Access Statement	means a document setting out, for any part of HS1, each of the following matters: (a) the location, number, timing and duration of any Restrictions of Use; and (b) any alternative train routes or stopping patterns which may apply during any Restrictions of Use referred to in paragraph (a)
Environmental Damage	means any material injury or damage to persons, living organisms or property (including offence to man's senses) or any pollution or impairment of the environment resulting from

	the discharge, emission, escape or migration of any substance, energy, noise or vibration
Established Network Change	means a change falling within the definition of Network Change and which: (a) in the case of a Network Change proposed by the Infrastructure Manager, the Infrastructure Manager is entitled to carry out having complied with the procedural and other requirements of Part G; and (b) in the case of a Network Change proposed by a TOC, the Infrastructure Manager is required by Part G to carry out
Exercised	shall mean as a consequence of: (a) submitting an Access Proposal to the Infrastructure Manager by the Priority Date in accordance with Conditions D2.4 and D2.5 of Part D; or (b) a Rolled Over Access Proposal
Extended Disruption	means a Disruptive Event which is likely to be of sufficient duration as to make it necessary in the reasonable opinion of the Infrastructure Manager to adopt a revised timetable
Firm Right	means: (a) in the case of a TOC, a right under a Framework Track Access Agreement in respect of the quantum, or any other characteristic of a train movement; and (b) in the case of the Infrastructure Manager, a right under the Rules
First Working Timetable	means the version of the New Working Timetable published by the Infrastructure Manager 22 weeks before a Timetable Change Date in accordance with Condition D2.7.1 as may be modified in accordance with Condition D2.7.4, in each case of Part D
Flexing Right	means 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	means an agreement between the Infrastructure Manager and a TOC for access onto HS1 for a duration of more than one Timetable Period
HS1	means High Speed 1 rail infrastructure or the Rail Link Facility
HS1 Network Code	means the HS1 Network Code as amended
HS1 Restriction of Use	means any Restriction of Use other than an Operator Restriction of Use or a Competent Authority Restriction of Use
HS1 Standards	means 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
Incentive Period	means, in relation to any TOC, a Period occurring within that TOC's Incentive Term Year

Incentive Adjustment	means the adjustment made to any discount payable to a TOC under the New Services Growth Incentive as a result of that TOC introducing any new international high-speed passenger service which displaces another international high-speed passenger service, made in accordance with paragraph 6.9 as part of the Wash Up Amount
Incentive Term	means, in relation to any TOC, the period of three consecutive years within the Scheme Period starting on the Start Date, provided that, if that Incentive Term commences less than three years before the end of the Scheme Period, that Incentive Term shall end on the last date of the Scheme Period
Incentive Term Quarter	means, in relation to any TOC, an Advance Period in that TOC's Incentive Term, provided that, if an Incentive Term Quarter commences less than three or four Periods (as appropriate) before the end of the Scheme Period, that Incentive Term Quarter shall end on the last date of the Scheme Period
Incentive Term Year	means, in relation to any TOC, a period of 12 consecutive months in that TOC's Incentive Term: (a) the first such Incentive Term Year commencing on the Start Date and ending on the first anniversary of the Start Date; (b) the second Incentive Term Year commencing on the day after the first anniversary of the Start Date and ending on the second anniversary of the Start Date; and (c) the third Incentive Term Year commencing on the day after the second anniversary of the Start Date and ending on the third anniversary of the Start Date, provided that, if an Incentive Term Year commences less than 12 months before the end of the Scheme Period, that Incentive Term Year shall end on the last date of the Scheme Period
Infrastructure Manager	means HS1 Limited
IRC	means Investment Recovery Charge levied by the Infrastructure Manager on TOCs for the purpose of recovering the long-term capital costs of constructing HS1
IRC Per Train Per Minute	means the IRC specified in column C of Part 2 of Schedule 4 (Track Charges) of the relevant TOC's Framework Track Access Agreement
Legal Requirement	means (for the purpose of the definition of Change of Law), in relation to any person, any of the following: (a) any treaty, enactment or legislative provision in England to the extent that it applies to that person; and (b) any common law, or any interpretation of law, or finding, contained in any judgment given by a court or tribunal of competent jurisdiction in respect of which the period for making an appeal has expired which requires any legal requirement falling within paragraphs (a) or (b) above to have effect in a way

	which is different from that in which it previously had effect
Maximum Incentive	has the meaning given to it in paragraph 5.18
Multi-Qualifying Train Slot	means a Train Slot which is Qualifying Train Slot under two or more New Services Incentives at the same time
Network Change	means, in relation to a TOC: (a) any change in or to any part of HS1 (including its layout, configuration or conditions) which is likely materially to affect the operation of: (i) HS1; or (ii) trains operated, or anticipated as being operated in accordance with the terms of any Framework Track Access Agreement, by any TOC on HS1; (b) any change to the operation of HS1 (being a change which does not fall within paragraph (a)) which: (i) is likely materially to affect the operation of trains operated, or anticipated as being operated in accordance with the terms of any Framework Track Access Agreement, by any TOC on HS1; and (ii) has lasted or is likely to last for more than six months, including any such change arising from: (A) a temporary speed restriction; (B) a material change to the location of any of the specified points referred to in Condition B1.1.1 of Part B; or (C) a change to the method of delivery of any operational documentation (other than HS1 Standards) owned or used by the Infrastructure Manager and/or any TOC; or (c) any material variation to an Established Network Change other than an Authorised Variation, but does not include a closure (as defined in the Railways Act 2005), or a change made under the Systems Code
Network Statement	means the network statement published by the Infrastructure Manager in accordance with regulation 13 of the Rail Regulations 2016, to which the International Growth Incentive Scheme is annexed
New Destination	has the meaning given to it in paragraph 5.9
New Destination Incentive	means the incentive specified in paragraphs 5.8 to 5.13 and calculated in accordance with paragraph 6 in relation to the operation of new international high-speed passenger services to and from New Destinations and New Intermediate Stations
New Intermediate Station	has the meaning given to it in paragraph 5.10

New Rolling Stock	means state-of-the-art international high-speed passenger rolling stock that: (a) has been homologated for HS1 and the Channel Tunnel; and (b) was manufactured no more than five years before commencing services on HS1 (or such longer period as HS1 may determine on a case-by-case basis)
New Rolling Stock Incentive	means the incentive specified in paragraphs 5.14 to 5.16 and calculated in accordance with paragraph 6 in relation to the deployment of New Rolling Stock on HS1
New Service TOC	has the meaning given to it in paragraph 5.21(b)
New Services Annual Baseline	means, in relation to any TOC and its Incentive Term, the higher of: (a) the number of that TOC's Timetabled Passenger Trains and Spot Services scheduled to be operated (and those of its subsidiaries, affiliates or companies subject to common control scheduled to be operated in connection with any other Framework Track Access Agreement) in the year immediately preceding the commencement of that Incentive Term; or (b) the average number of that TOC's Timetabled Passenger Trains and Spot Services scheduled to be operated (and those of its subsidiaries, affiliates or companies subject to common control scheduled to be operated in connection with any other Framework Track Access Agreement) in the three years immediately preceding the commencement of that Incentive Term
New Services Growth Incentive	means the incentive specified in paragraphs 5.5 to 5.7 and calculated in accordance with paragraph 6 in relation to the growth of new international high-speed passenger services on HS1
New Services Incentive	means the incentive described in paragraph 2.12 and specified in paragraph 5 comprising the New Services Growth Incentive, the New Destination Incentive, and the New Rolling Stock Incentive
New Services Quarterly Baseline	means, in relation to any TOC and an Incentive Term Quarter, the higher of: (a) the number of that TOC's Timetabled Passenger Trains and Spot Services scheduled to be operated (and those of its subsidiaries, affiliates or companies subject to common control scheduled to be operated in connection with any other Framework Track Access Agreement) in the corresponding quarter of the year immediately preceding the commencement of that Incentive Term; or (b) the average number of that TOC's Timetabled Passenger Trains and Spot Services scheduled to be operated (and those of its subsidiaries, affiliates or companies subject to common control scheduled to be operated in connection with any other Framework

	Track Access Agreement) in the corresponding quarter of each of the three years immediately preceding the commencement of that Incentive Term
New Working Timetable	means the timetable developed in accordance with the process set out in Conditions D2 and D3 of Part D
OMRC	means Operations, Maintenance and Renewals Charge levied by the Infrastructure Manager on TOCs to recover the operations, maintenance, and renewal costs of HS1 (other than the Stations)
Operator Restriction of Use	means a Restriction of Use that is: (a) required as a result of any damage to HS1 or Environmental Damage which in each case: (i) arises wholly or mainly from the operations of the TOC or its failure to comply with its obligations under its Framework Track Access Agreement; and (ii) the Infrastructure Manager demonstrates, is in excess of fair wear and tear arising from use of HS1 by the TOC; (b) requested by the TOC (other than for the purposes of inspection, maintenance, renewal or repair of HS1); (c) required in connection with a Network Change proposed by the TOC under Condition G3 of Part G; or (d) a Restriction of Use within the Possessions Allowance
ORR	means the Office of Rail and Road
Passenger Access Terms	specifies the operational and commercial arrangements between the Infrastructure Manager and TOCs in relation to each other
Passenger Baseline	means, in relation to a TOC and an Incentive Term Year, the higher of: (a) the total number of fare-paying passengers carried by that TOC on its international high-speed passenger services on HS1 (and those services on HS1 of its subsidiaries, affiliates or companies subject to common control in connection with any other Framework Track Access Agreement) in the year immediately preceding that Incentive Term Year; or (b) the average number of fare-paying passengers carried on those services in the three years immediately preceding that TOC's Incentive Term
Passenger Incentive	means the incentive described in paragraph 2.12 and specified in paragraph 7
Passenger Joint Account	means an account held and administered by the Infrastructure Manager on behalf of a TOC and the Infrastructure Manager for the purpose of holding funds to: (a) jointly promote or market that TOC's international high-speed passenger services on HS1 and/or promote the broader high-speed rail opportunity (including modal shift to international high-speed rail travel); or

	(b) spend in such other manner as is agreed by the Infrastructure Manager and that TOC (or as otherwise determined in accordance with paragraph 7.7) with the purpose of increasing passenger demand on or improving that TOC's international high-speed passenger services on HS1, in either case in accordance with paragraph 7
Period	means each consecutive period of 28 days during the term of a Framework Track Access Agreement commencing at 0000 hours on 1 April in each year, provided that the length of the first and last such Period in any year may be varied by up to 14 days on reasonable prior notice from the Infrastructure Manager to the TOC
Possessions Allowance	means: (a) 12 x 8 hours Saturday to Sunday planned disruptive possessions in a Timetable Year on the route between St Pancras International station and the boundary of Temple Mills (provided that if there is a demand for paths on the North London Line this requirement will increase to 20 x 8 hours planned disruptive possessions in a Timetable Year on the route between St Pancras International station and the boundary of Temple Mills); (b) one overnight double line possession of 12 hours per Timetable Year; and (c) two double line possessions of up to 20 minutes per day on Saturdays and Sundays
Principal Change Date	means the first, and main, Timetable Change Date occurring on the second Saturday in December unless and until varied by the Infrastructure Manager
Prior Working Timetable	means, in relation to any Timetable Change Date, the timetable published 22 weeks before the immediately preceding Timetable Change Date otherwise known as D-22, as amended in accordance with Condition D2.1.6 of Part D
Priority Date	means the date occurring 36 weeks before a Timetable Change Date, otherwise known as D-36
Qualifying Train Slot	means a Train Slot which meets the relevant requirements of, as the case may be, the New Services Growth Incentive, the New Destination Incentive or the New Rolling Stock Incentive
Rail Regulations 2016	means The Railways (Access, Management and Licensing of Railway Undertakings) Regulations 2016 as amended
Relevant Quarter	means each of the following periods: (a) the first three Periods in a Relevant Year; (b) the three Periods comprising the fourth, fifth and sixth Periods in any Relevant Year; (c) the three Periods comprising the seventh, eighth and ninth Periods in any Relevant Year; and (d) the final four Periods in any Relevant Year
Relevant Year	means a year commencing at 0000 hours on 1 April and ending at 2359 hours on the following 31 March or, in respect

	of the first Relevant Year and a TOC, the period from the date that TOC's Framework Track Access Agreement becomes effective in accordance with its terms until 2359 hours on the following 31 March and, in respect of the last Relevant Year, the period ending or on the expiry or termination of that Framework Track Access Agreement and beginning at 0000 hours on the immediately preceding 1 April
Restriction of Use	means, in respect of any Day, any restriction of use of all or any part of the Routes (other than one caused by a Recovery Allowance which was contained in the Applicable Timetable Planning Rules relevant to that Day notified to each TOC on or before 22 weeks before a Timetable Change Date, otherwise known as D-22) which results in: (a) a difference between the Applicable Timetable on that Day as compared with the First Working Timetable in respect of that Day; and/or (b) a difference between the First Working Timetable applicable for that Day as compared with the Corresponding Day Timetable in respect of the Corresponding Day
Rolled Over Access Proposal	means an Access Proposal submitted in a previous revision of the Working Timetable resulting in Train Slots being included in the Prior Working Timetable which the relevant TOC does not seek to vary in the New Working Timetable in accordance with Part D
Routes	means in respect of Framework Track Access Agreement, those parts of HS1 which a TOC has permission to use pursuant to that Framework Track Access Agreement
Rules	means the Timetable Planning Rules and the Engineering Access Statement
Scheduled	means, in relation to the quantum, timing or any other characteristic of a Service, that quantum, timing or other characteristic as included in the Applicable Timetable
Scheme Period	means the period between and including [insert date International Growth Incentive Scheme operative] to and including 31 March 2035, unless otherwise limited or extended by the Infrastructure Manager in its absolute discretion pursuant to paragraph 4
Service Group	means a collection of Services specified in column A of Part 2 of Schedule 4 (Track Charges) of a Framework Track Access Agreement
Services	means the Scheduled passenger railway services to be operated by the TOC on HS1 pursuant to the permission to use the Routes granted under Section 3 of the Passenger Access Terms and in accordance with the rights provided in Schedule 5 of that TOC's Framework Track Access Agreement
Spot Services	means, for the purpose of the International Growth Incentive Scheme only, as the context requires: (a) each international high-speed passenger rail service on HS1 scheduled to be operated by the relevant TOC

	in an Incentive Term Quarter pursuant to a Train Operator Variation and which are not Timetabled Passenger Trains save for any which cannot be operated by virtue of a Restriction of Use; or (b) each international high-speed passenger rail service on HS1 scheduled to be operated by the relevant TOC in an Incentive Term Year pursuant to a Train Operator Variation and which are not Timetabled Passenger Trains save for any which cannot be operated by virtue of a Restriction of Use
Start Date	means, in relation to a TOC, the first date of the Advance Period in respect of which that TOC's IRC is first discounted under the International Growth Incentive Scheme
Station	means any of St Pancras International station, Stratford International station, Ebbsfleet International station or Ashford International station
Systems Code	means the HS1 Railway Systems Code
Timetable Change Date	means the change implementation date on which the Working Timetable is revised in accordance with the process set out in Part D
Timetable Period	means the period between two Timetable Change Dates
Timetable Planning Rules	means a document 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, being rules which specify (amongst other matters): (a) the timings (including specified allowances) allowed for travel between specified points on HS1 for each type of train and for each type of traction used, taking into account any particular constraints imposed by railway vehicles which may form part of the train; (b) timing margins or allowances for stopping at junctions and other specified points; (c) minimum timing margins or headways between successive trains travelling on the same section of track; (d) minimum and maximum time periods for stopping at stations and other specified points; and (e) restrictions as to the speed of railway vehicles on any section of track
Timetable Year	means the period of time between (and including) one Principal Change Date and (but excluding) the immediately succeeding Principal Change Date
Timetabled Passenger Train	means, for the purpose of the International Growth Incentive Scheme only, as the context requires: (a) each international high-speed passenger rail service on HS1 scheduled by the relevant TOC in an Incentive Term Quarter, as specified in the relevant parts of the First Working Timetables which occur in that Incentive

	Term Quarter, save for any which cannot be operated by virtue of a Restriction of Use; or (b) each international high-speed passenger rail service on HS1 scheduled to be operated by the relevant TOC in an Incentive Term Year, as specified in the relevant parts of the First Working Timetables which occur in that Incentive Term Year, save for any which cannot be operated by virtue of a Restriction of Use
TOC	means 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 passengers by rail
Train	means each train, whether operated by the TOC or another train operator, operating a scheduled service for the carriage of passengers or goods by railway, excluding any and all trains making an Ancillary Movement
Train Operator Variation	means a variation proposed by a TOC to vary either the New Working Timetable if it is before a Timetable Change Date, or otherwise the Working Timetable on an ad hoc basis by: (a) adding an additional Train Slot on one or more occasions; (b) amending the detail of one or more Train Slots; and/or (c) removing one or more Train Slots
Train Plan	means the plan (including sub-plans) prepared by the TOC specifying the rolling stock to be used (including configuration), and origin, destination and intermediate stations for each Train Slot in the New Working Timetable (including First Working Timetable) and Working Timetable, including the information set out in paragraph 6.5, as amended from time to time during that TOC's Incentive Term in accordance with the International Growth Incentive Scheme
Train Slot	means 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
Value Added Tax	means value added tax as provided for in the Value Added Tax Act 1994, and any tax similar or equivalent to value added tax or any turnover tax replacing or introduced in addition to them, and 'VAT' shall be construed accordingly
Wash Up Amount	means the amount calculated annually in respect of each Relevant Year pursuant to paragraph 10, and quarterly in respect of each Relevant Quarter pursuant to paragraph 10A, in each case of Part 2 (Track Charges) of Section 7 (Track Charges) of the Passenger Access Terms
Withdrawing TOC	has the meaning given to it in paragraph 5.21(a)
Working Day	means each of Monday to Friday (inclusive) excluding common law and statutory public holidays on which banks in the City of London are not open for business

Working Timetable	means the timetable which the Infrastructure Manager is obliged to draw up in respect of HS1 pursuant to Part D

1.2 This document relies on many principles and defined terms from the suite of regulatory and contractual documents on which the timetabling and operation of international high-speed passenger services on HS1 relies, such as the Network Statement, the HS1 Network Code, the Passenger Access Terms, and Framework Track Access Agreements. As much as possible, this document is intended to be self-standing without the need to cross refer to any of those other documents, and so incorporates all relevant and linked definitions from those sources, adapted as necessary to match the International Growth Incentive Scheme language. In the event of a conflict between a definition used in this document and the corresponding one in those other sources, the definition in that other source will prevail.

1.3 Unless otherwise stated, references to:

(a) a paragraph are to a paragraph in this International Growth Incentive Scheme; and

(b) a Part or a Condition are to a Part or Condition of the HS1 Network Code.

2. SCHEME OBJECTIVES

Growth of international high-speed passenger services and passenger numbers

2.1 The Infrastructure Manager is committed to driving the growth of international high-speed passenger services and passenger numbers on HS1. New services, whether operating on HS1 to new European destinations, or delivering increased frequency to existing destinations (including domestic ones) offer greater choice for passengers, deliver higher sustainable travel outcomes, increase connectivity, and ensure more efficient use of the HS1 infrastructure, all of which drive higher passenger numbers, higher commercial returns for the Infrastructure Manager and TOCs (including potential OMRC reductions), and wider economic growth.

2.2 High-speed rail can have a transformative societal effect. In particular, high-speed rail can connect relatively local economies for leisure, work and business, thereby creating entirely new economic activity, employment, local renewal, and new housing. Significantly, rail travel has a much lower carbon footprint per kilometre than other modes of transport, and so offers a more environmentally-friendly travel choice. Environmentally-friendly transport modal shift remains a key policy objective of both the UK (under the Transport Decarbonisation Plan) and EU (under the Sustainable and Smart Mobility Strategy), and more passengers travelling by high-speed rail travel is seen as being part of efforts to effect meaningful energy transition.

2.3 High-speed rail is a particularly competitive travel choice between European city destinations. As stated in section 4.4.4 of the Network Statement, there is capacity available on HS1, and the current utilisation means real opportunities remain to offer high-speed rail services between the UK and many mainland European cities with a potential catchment area of upwards of 25 million people. The Infrastructure Manager wishes to better utilise its infrastructure by incentivising higher utilisation and passenger growth.

2.4 The International Growth Incentive Scheme has been introduced pursuant to paragraph 6(3) of Schedule 3 of the Rail Regulations 2016, which entitles infrastructure managers to grant time-limited discounts of access charges to encourage the development of new rail services, or encourage the use of considerably under-utilised lines.

2.5 The scheme comprises a coordinated package of discounts of access charges, giving all international high-speed passenger service TOCs using and proposing to use HS1, the incentive to optimise their passenger offerings, thereby allowing for business growth in a way that is beneficial both to them and to the Infrastructure Manager.

Lowering costs to introducing new services

2.6 The Infrastructure Manager recognises the significant challenges a TOC wishing to introduce a new international high-speed passenger service faces, including meeting the up-front investment costs, which are high.

2.7 A substantial financial commitment is required to introduce a new fleet of rolling stock, particularly a high-speed one, where advanced engineering and technology is essential to achieve and maintain high speeds efficiently and safely, and one which operates between the UK and mainland Europe with its specific safety standards. New rolling stock is delivered several years after an order is placed, requiring large capital payments in the meantime, and long before that rolling stock enters service and starts to deliver a return on that investment. The Infrastructure Manager is committed to fostering a modern, efficient and sustainable high-speed offering on its and related railway infrastructure.

2.8 The European rail passenger market has seen significant efforts in recent years to liberalise. The establishment of a single European railway area, with greater technical integration and commonality of regulation, has driven higher levels of competition and growth of rail services, particularly high-speed ones across Europe. But, despite the progress, it remains that many complex authorisations are required before any new international high-speed passenger service can be introduced, including in relation to safety, border control, licensing, access, and technical requirements (such as interoperability) across multiple jurisdictions. These challenges drive significant initial fixed development costs.

2.9 Then, when a new international service launches, during its ramp-up phase, it can take time to reach financial break even. A new service operating to a new station is typically introduced at a lower frequency and with lower ridership than the service frequency and ridership the TOC ultimately wishes to reach, reflecting the fact that brand recognition and customer loyalty is only secured after significant marketing and promotional efforts, and really only once a reliable, affordable and frequent service has been established, initially leading to operating losses.

2.10 In aggregate, the costs associated with meeting these challenges can be prohibitive to the introduction of new high-speed passenger services, thereby stifling growth and passenger choice. The scheme therefore offers discounts against the IRC charges the Infrastructure Manager levies for access to HS1 to whichever TOC is seeking to introduce new international high-speed passenger services on HS1 and/or increase passenger numbers. The Infrastructure Manager believes that offering discounts against its access charges could make a meaningful contribution to a TOC's business case to introduce a new service, and ultimately, the service's early viability.

The components of the scheme

2.11 Consistent with the Rail Regulations 2016, the International Growth Incentive Scheme is focused on reducing the costs of introducing new international high-speed passenger services on HS1 and growing passenger markets. Consequently, the scheme is open to all TOCs who wish to introduce new international high-speed passenger services and grow passenger numbers on HS1, and thereby seeks to identify, measure, and incentivise actual growth in such services and passengers.

2.12 Specifically, the International Growth Incentive Scheme offers two separate incentives:

- the first, a discount to incentivise the sustainable growth of new international high-speed passenger services on HS1, the calling at new destinations and new intermediate stations by new services, and the deployment of new rolling stock to deliver new services, thereby enhancing the passenger experience and providing efficient and reliable operations. These incentives are collectively referred to as the **New Services Incentive** and are specified in paragraph 5; and

- the second, a discount to incentivise the growth in passenger numbers travelling on HS1 by promoting international high-speed passenger services that travel on it. This incentive is known as the **Passenger Incentive** and is specified in paragraph 7.

2.13 IRC is payable quarterly in advance but in respect of periods of typically 28 days in length. Each of the incentives comprising the New Services Incentive constitute up-front discounts against those advance quarterly payments according to the timetabled growth that a TOC brings to HS1, so the TOC pays less IRC than it otherwise would, creating immediate savings for its business. Those up-front discounts are then reconciled each subsequent quarter and at the end of the relevant year according to the actual growth that a TOC operates. The Passenger Incentive constitutes a rebate on those advance quarterly payments according to the actual passenger growth that a TOC brings to HS1, which rebate is held by the Infrastructure Manager on behalf of the TOC in order to fund increased marketing and promotion of TOC services and the high-speed offering. Any incentives a TOC qualifies for will be applied during that TOC's Incentive Term – a 3-year period within the overall Scheme Period of 10 years.

2.14 In the context of the Rail Regulations 2016, the scheme offers similar discounts to all TOCs who operate similar international high-speed passenger services delivering growth on HS1 in the scheme's key metrics. Providing a TOC has qualified for the International Growth Incentive Scheme, and complies with its terms and conditions, that TOC will qualify for payments under it according to the new international high-speed passenger services it delivers and the additional passengers it carries on HS1 during its Incentive Term.

2.15 Some worked examples have been set out in the Appendix (*Appendix to Annex 3: Incentives and Worked Examples*) to this Annex 3 showing how each of the components of the scheme is intended to work.

3. APPLYING FOR THE SCHEME

Making an application

3.1 Any international passenger TOC which intends to operate new international high-speed passenger services or grow passenger numbers on HS1 may apply at any time during the Scheme Period for any of the discounts under the International Growth Incentive Scheme by making a formal application in accordance with paragraph 3.2.

3.2 A TOC that wishes to apply must make a written formal application to the Infrastructure Manager at the following address:

business.development@stpancras-highspeed.com

Any application will need to set out the following information:

(a) details of the proposed international high-speed passenger services, including:

(i) origin, destination, stopping pattern, frequency, duration, ramp-up, and nature of the services assuming the anticipated discounts under the scheme are available; and

(ii) the extent to which the proposed international high-speed passenger services use existing Firm Rights and/or Contingent Rights or require additional such rights to be granted by the Infrastructure Manager;

(b) evidence that the proposed international high-speed passenger services are sustainable in the long term with the anticipated International Growth Incentive Scheme discounts, including:

(i) evidence of:

(A) potential demand for the new international high-speed passenger services and detailed forecasts of traffic and revenue;

(B) the likely demand response to any reduction in fares facilitated by discounted access charges, such as fares elasticities; and

(C) any expected public sector support or contribution from other infrastructure managers (including other discounts);

(ii) forecast operating costs and relative importance of HS1 infrastructure costs, including staff costs, rolling stock costs, and other infrastructure charges, necessary investments and their payback period; and

(iii) the business case for the proposed international high-speed passenger services, both with and without the anticipated discounts, including expected profit and loss of the anticipated international high-speed passenger services during and after the anticipated discount period, taking account of the preceding factors and expected changes over time;

(c) when the relevant Incentive Term is anticipated to commence, and the profile of IRC discount the TOC anticipates earning thereunder in each Incentive Term Year;

(d) if relevant, forecast abstraction and displacement of existing services and routes as a result of introducing the proposed new international high-speed passenger services;

(e) the net passenger volume creation, including the expected modal shift the discounted international high-speed passenger services are expected to bring about; and

(f) any required investment in HS1 or connected infrastructure in order for the proposed international high-speed passenger services to be brought into operation.

3.3 The Infrastructure Manager will assess any application made pursuant to paragraph 3.2, and will endeavour to respond within six weeks of receipt of all relevant information. During that period, the Infrastructure Manager may require the relevant TOC to engage in discussions to clarify and test aspects of the application, and will ensure the ORR is kept informed of any such TOC engagement. As part of the Infrastructure Manager's assessment, it will consider whether, among other things, the relevant TOC's proposition is clear and comprehensive, the proposed services will be sustainable beyond the relevant TOC's Incentive Term, and what the potential impact of the proposed new services on other TOCs might be. In addition, the Infrastructure Manager will consider the impact of introducing the proposed new international high-speed passenger services on HS1's capacity and, should it be necessary, will look to identify ways with the proposing TOC to avoid any resulting congestion on HS1 or on given routes. Proposed new services which would, in the Infrastructure Manager's opinion, result in significant capacity constraints on HS1 (as contemplated by Regulation 26 of the Rail Regulations 2016) will not be permitted to qualify for the scheme.

3.4 To ultimately qualify to receive any of the discounts under the scheme, a TOC must meet the conditions for access specified in section 2.2 (including subject to ORR approval, entering into a Framework Track Access Agreement containing the contractual provisions giving effect to the scheme). The time required to secure all necessary approvals, fulfil all necessary rolling stock orders, and recruit all necessary resources will be an important consideration, among others, in optimising the start of a TOC's Incentive Term and so the availability of possible discounts under the scheme. Significantly, a TOC's Incentive Term does not commence until it first pays discounted IRC under the scheme, thereby mitigating potential delays to the anticipated introduction of new services or growth in passenger numbers.

3.5 TOCs are encouraged to engage informally with the Infrastructure Manager at an early stage in order to help plan for formal consultation and regulatory approval, the timely introduction of services and passenger growth, and the optimisation of discounts. If the Infrastructure Manager is satisfied with a TOC's application at this initial stage (including having all relevant information), and if the TOC requires in order to develop its business case further or facilitate necessary investment, the Infrastructure Manager will provide the TOC with written confirmation that the Infrastructure Manager expects the proposed services will be eligible for discounting under the scheme at the relevant time, and that it would be willing, subject to due consultation, and ORR approval, to enter into a Framework Track Access Agreement with the TOC which effects the scheme.

3.6 Nothing under the International Growth Incentive Scheme shall oblige the Infrastructure Manager to:

(a) grant a TOC any Firm Rights or Contingent Rights in relation to any services;

(b) to accept any Access Proposal, Rolled Over Access Proposal or Train Operator Variation, except in accordance with and subject to the terms of the HS1 Network Code;

(c) exercise its Flexing Right; or

(d) act in a manner contrary to the Rail Regulations 2016 or Part D.

Consultation and contracting the scheme

3.7 If the Infrastructure Manager and a TOC formally proceed with an application to qualify for discounts under the International Growth Incentive Scheme, they will need to consult on the application (including the terms to be included in any Framework Track Access Agreement which would give effect to IRC discounts under the scheme) with other TOCs and interested stakeholders whose interests will be affected by the relevant TOC's application in accordance with the Criteria and Procedures. The Infrastructure Manager would prepare those terms, whether as part of a supplemental agreement amending an existing Framework Track Access Agreement or a new Framework Track Access Agreement. Some of the anticipated provisions which give contractual effect to the scheme are described in paragraph 6.

3.8 Following consultation, and subject to its outcome, the Infrastructure Manager will then submit a request to the ORR for formal approval of the Framework Track Access Agreement terms incorporating the scheme. This may include some or all of the information provided by the TOC in its application to the Infrastructure Manager under paragraph 3.2. Information provided by a TOC in support of an application to qualify for the International Growth Incentive Scheme will be held in confidence by the Infrastructure Manager except if it is required to be released to the ORR as part of its approval process (or in relation to any dispute or appeal). The ORR may require a hearing to be held for the purpose of deciding whether to approve the provisions of a Framework Track Access Agreement which reflect the terms of the scheme. Such a hearing may be closed for matters that the ORR considers should be kept confidential. The process around hearings is described in the Criteria and Procedures.

3.9 An application to the Infrastructure Manager for the International Growth Incentive Scheme, potential consultation, and subsequent approval by the ORR is expected to take around six months. But the requirement to obtain other approvals, the requirement to justify the redaction of any confidential provisions from consultation, and the need for iterative consultation around complex or impactful proposals, including any requirement for ORR hearings, can lead to the process taking longer, in line with the general procedures set out in the Criteria and Procedures.

Appeals

3.10 A TOC can appeal to the ORR under the Rail Regulations 2016 if it is unable to reach agreement with the Infrastructure Manager on whether it qualifies for the International Growth Incentive Scheme or the extent to which discounts are available to it or others under the scheme.

4. DURATION AND APPLICABILITY OF THE SCHEME

4.1 In accordance with the Rail Regulations 2016 purpose of discounting access charges to help a TOC achieve new service sustainability, the International Growth Incentive Scheme is time-limited.

4.2 Any TOC may qualify for the International Growth Incentive Scheme at any time during the Scheme Period, but only benefit from the discounts offered by the scheme during one Incentive Term within the Scheme Period. The Infrastructure Manager has no obligation to extend the Scheme Period or any individual Incentive Term.

4.3 The International Growth Incentive Scheme is a voluntary incentive scheme offered by the Infrastructure Manager. As such, the Infrastructure Manager reserves the right to amend, suspend or withdraw the International Growth Incentive Scheme on no less than three months' prior notice (without prejudice to any accrued rights and obligations thereunder), except where there is an adverse regulatory or legal determination regarding the scheme and the Infrastructure Manager's obligations under the provisions of the Rail Regulations 2016 relating to discounts or otherwise, or any other material change in circumstances (such as where HS1's utilisation (including its stations) approaches capacity), in which case, the Infrastructure Manager may amend, suspend or withdraw the scheme on notice. It is expected that substantive amendments to the scheme would require consultation in accordance with the Criteria and Procedures.

5. NEW SERVICES INCENTIVE

Incentives comprising the New Services Incentive

5.1 The New Services Incentive comprises three components:

(a) the New Services Growth Incentive;

(b) the New Destination Incentive; and

(c) the New Rolling Stock Incentive.

5.2 The New Services Incentive is available to all existing or prospective TOCs that have met the requirements for qualification referred to in paragraph 3. A TOC may qualify concurrently for each or separately for any of the incentives comprising the New Services Incentive. Where a TOC does qualify concurrently for more than one of the discounts comprising the New Services Incentive, it will result in the aggregation of the associated discounts, provided that a TOC shall not receive more than the maximum possible discount, as specified in paragraph 5.18.

5.3 Each of the New Services Growth Incentive, New Destination Incentive, and the New Rolling Stock Incentive incentivise qualifying Train Slots by applying a discount factor to the IRC payable for them.

5.4 Specifically, as explained in section 6.3 of the Network Statement, IRC is payable quarterly in advance, but calculated by reference to railway periods (typically 28 days) and Service Groups on a per-train basis. An adjusted periodic IRC amount is calculated under paragraph 2.1 of Part 2 (Track Charges) of Section 7 (Track Charges) of the Passenger Access Terms by adjusting for inflation and factoring in any applicable discount. If there is an

applicable discount, the calculation applies the relevant discount specified in column D of Part 2 of Schedule 4 (Track Charges) of a TOC's Framework Track Access Agreement. The incentives which make up the New Services Incentive would each introduce different levels of discounts by Incentive Term Year to that schedule and calculation, and those discounts would then be applied depending on the year in question and how much service growth a TOC delivered in that year according to the qualifying criteria. More detail on the anticipated scheme mechanics are set out in paragraph 6.

New Services Growth Incentive

5.5 The New Services Growth Incentive seeks to incentivise genuine growth in international high-speed passenger services operating on HS1. HS1 is currently under-utilised. The operation of more international high-speed passenger services would offer passengers greater service frequency, increasing their travel options, reducing travel times, and providing greater connectivity for leisure and business. Increased frequency would also mitigate the risk to passengers of cancellations and delays, improving the reliability of the high-speed offering overall.

5.6 The New Services Growth Incentive incentivises new service growth by identifying the additional Train Slots which have been allocated by a TOC to the operation of new international high-speed passenger services above those allocated previously. These Train Slots are Qualifying Train Slots to which a discount is applied under the scheme. Specifically, for each quarterly IRC calculation, the Qualifying Train Slots for a TOC for the relevant Incentive Term Quarter are calculated as follows:

$$QTS_q = TPT_q + SSTS_q - NSQB_q$$

where:

TPT_q means the aggregate number of that TOC's Train Slots which operate Timetabled Passenger Trains in that Incentive Term Quarter, as specified in the parts of the First Working Timetables occurring in that Incentive Term Quarter;

$SSTS_q$ means the aggregate number of that TOC's Train Slots which operate Spot Services in that Incentive Term Quarter, as specified in the parts of the New Working Timetables or Working Timetables occurring in that Incentive Term Quarter; and

$NSQB_q$ means the New Services Quarter Baseline for that TOC.

5.7 A discount is applied under the New Services Growth Incentive to the IRC a TOC pays per Qualifying Train Slot allocated by that TOC to the operation of a new international high-speed passenger service. Subject to paragraphs 5.17 and 5.18, the following discounts will be applied to the IRC that a TOC pays for a Qualifying Train Slot in respect of each Incentive Term Quarter in the relevant Incentive Term Year:

Incentive Term Year	Incentive: IRC discount per Qualifying Train Slot
Year 1	30%
Year 2	20%
Year 3	10%

New Destination Incentive

5.8 The New Destination Incentive seeks to incentivise the operation of international high-speed passenger services using HS1 to direct new destinations and new intermediate stations. The incentive has been introduced to recognise the value of HS1 serving European passengers

more broadly. Connectivity is of significant value to passengers, offering more opportunities for leisure and work travel, boosting local economies and economic growth. Greater geographical connectivity will increase passenger choice and sustainable travel options, driving modal shift in keeping with UK and EU policy objectives.

5.9 For the purpose of the New Destination Incentive, a **New Destination** is a terminus station which:

(a) was not served by an international high-speed passenger service using HS1 at the start of the Scheme Period;

(b) is located in Europe, provided that if it is located in Great Britain, that terminus station is either a Station or is outside the M25; and

(c) in relation to a TOC:

(i) is a final stop or originating station for that TOC's international high-speed passenger services which call there;

(ii) on arrival allows for both the boarding and alighting of passengers; and

(iii) is directly served by those services from HS1 in both directions, provided that those services are either the first international passenger services using HS1 to stop at or originate from that terminus station during the Scheme Period, or begin stopping at or originating from that terminus station within 12 months of that station first qualifying as a New Destination for any other TOC.

5.10 For the purpose of the New Destination Incentive, a **New Intermediate Station** is a station which:

(a) was not served by an international high-speed passenger service using HS1 at the start of the Scheme Period;

(b) is located in Europe, provided that if it is located in Great Britain, that intermediate station is either a Station, or is outside the M25; and

(c) in relation to a TOC:

(i) is not a final stop or originating station for that TOC's international high-speed passenger services which call there;

(ii) on arrival allows for both the boarding and alighting of passengers; and

(iii) is directly served by those services from HS1 in both directions, provided that those services are either the first international passenger services using HS1 to call at that station during the Scheme Period, or begin calling at that station within 12 months of that station first qualifying as a New Intermediate Station for any other TOC.

5.11 Like the New Services Growth Incentive, the New Destination Incentive operates by identifying the relevant Train Slots to which a discount applies. The New Destination Incentive takes the Qualifying Train Slots identified under the New Services Growth Incentive in an Incentive Term Quarter and isolates which of those were timetabled in that Incentive Term Quarter for the operation of new international high-speed passenger services to or from New Destinations and to or from New Intermediate Stations, in either case, as specified in the parts of the First Working Timetables occurring in that Incentive Term Quarter, or included as Spot Services in the parts of the New Working Timetables or Working Timetables occurring in that Incentive Term Quarter.

5.12 A discount is applied under the New Destination Incentive to the IRC a TOC pays per Qualifying Train Slot allocated by that TOC to the operation of a new international high-speed passenger service to or from a New Destination. Subject to paragraphs 5.17 and 5.18, the following discounts will be applied to the IRC that a TOC pays for a Qualifying Train Slot in respect of each Incentive Term Quarter in the relevant Incentive Term Year:

Incentive Term Year	Incentive: IRC discount per Qualifying Train Slot
Year 1	20%
Year 2	15%
Year 3	10%

5.13 A discount is also applied under the New Destination Incentive to the IRC a TOC pays per Qualifying Train Slot allocated by that TOC to the operation of a new international high-speed passenger service to or from a New Intermediate Station. Subject to paragraphs 5.17 and 5.18, the following discounts will be applied to the IRC that a TOC pays for a Qualifying Train Slot in respect of each Incentive Term Quarter in the relevant Incentive Term Year:

Incentive Term Year	Incentive: IRC discount per Qualifying Train Slot
Year 1	10%
Year 2	7.5%
Year 3	5%

New Rolling Stock Incentive

5.14 The New Rolling Stock Incentive is designed to incentivise the introduction of state-of-the-art high-speed trains which are more energy efficient, environmentally friendly, and manufactured and maintained to the highest safety standards, and which offer passengers a better experience with improved reliability and performance, the latest amenities, and enhanced passenger comfort.

5.15 Like the New Services Growth Incentive and the New Destination Incentive, the New Rolling Stock Incentive operates by identifying the relevant Train Slots to discount. The New Rolling Stock Incentive takes the Qualifying Train Slots identified under the New Services Growth Incentive in an Incentive Term Quarter and isolates using the Train Plan, which of those were timetabled in that Incentive Term Quarter for the operation of new international high-speed passenger services using New Rolling Stock, as specified in the parts of the First Working Timetables occurring in that Incentive Term Quarter, or included as Spot Services in the parts of the New Working Timetables or Working Timetables occurring in that Incentive Term Quarter.

5.16 A discount is applied under the New Rolling Stock Incentive to the IRC a TOC pays per Qualifying Train Slot allocated by that TOC to the operation of a new international high-speed passenger service using New Rolling Stock. Subject to paragraphs 5.17 and 5.18, the following discounts will be applied to the IRC that a TOC pays for a Qualifying Train Slot in respect of each Incentive Term Quarter in the relevant Incentive Term Year:

Incentive Term Year	Incentive: IRC discount per Qualifying Train Slot
Year 1	15%
Year 2	10%

Incentive Term Year	Incentive: IRC discount per Qualifying Train Slot
Year 3	5%

The New Services Baselines

5.17 As the New Services Incentive is an incentive which targets new service and destination growth, and new rolling stock investment, it is a condition of qualifying for any of its incentives that the TOC is delivering real service growth during its Incentive Term. Consequently, a TOC:

(a) must have timetabled more Train Slots for the operation of international high-speed passenger services on HS1 in an Incentive Term Quarter than its New Services Quarterly Baseline in order to qualify for any discounts under the International Growth Incentive Scheme; and

(b) ultimately must have timetabled more Train Slots for the operation of international high-speed passenger services on HS1 in the Incentive Term Year in which any such Incentive Term Quarter occurs than its New Services Annual Baseline in order to retain such discounts at the end of that Incentive Term Year.

See paragraphs 6.6 to 6.8 which explain the mechanics of how those conditions are applied in the proposed calculations.

Maximum Incentive

5.18 The cumulative nature of the discounts available under the New Services Incentive are such that a Train Slot which qualifies for more than one New Service Incentive (a Multi-Qualifying Train Slot) can lead to significant IRC savings. To ensure the discounts for Multi-Qualifying Train Slots remain proportionate, the maximum discount that will be applied to the IRC payable per Multi-Qualifying Train Slot (again expressed as a Discount Factor in the calculation in paragraph 2.1 of Part 2 of Section 7 of the Passenger Access Terms) (the **Maximum Incentive**) will be limited to:

Incentive Term Year	Maximum Incentive: IRC discount per Multi-Qualifying Train Slot
Year 1	50%
Year 2	40%
Year 3	30%

5.19 The Appendix to this Annex 3 contains a summary of the scheme's discounts for each Incentive Term Year and the maximum available incentives.

Incentive Adjustment

5.20 The Infrastructure Manager wants to encourage competition in international high-speed passenger services, in keeping with one of the broader purposes of the Rail Regulations 2016. However, the Infrastructure Manager does not wish to do so at the expense of existing services. Consequently the International Growth Incentive Scheme only seeks to incentivise genuine growth in new services. For this reason, the scheme provides for the application of an Incentive Adjustment to disincentivise the displacement of existing services by new ones.

5.21 Where:

(a) a TOC has withdrawn an existing international high-speed passenger service in a Relevant Year (a **Withdrawing TOC**); and

(b) the Withdrawing TOC reasonably believes that the direct cause of that withdrawal was the introduction of a new international high-speed passenger service by another TOC (a **New Service TOC**) which has benefitted in that Relevant Year or a previous Relevant Year from a discount under the New Services Incentive,

the Withdrawing TOC may submit a certificate to the Infrastructure Manager no later than 31 March of the Relevant Year in which the withdrawal is made, signed by a statutory director, certifying that the withdrawal would not have been made without the introduction of the New Service TOC's new, discounted service. The certificate must be accompanied by detailed supporting evidence.

5.22 The Infrastructure Manager shall promptly acknowledge receipt of any certificate it receives pursuant to paragraph 5.21, notify the New Service TOC that such certificate has been received, and investigate the cause of the notified withdrawal and the correlation (if any) between the new service introduction and the existing service withdrawal.

5.23 The Infrastructure Manager may in its sole discretion, where a TOC which has withdrawn an existing international high-speed passenger service in a Relevant Year, but has not submitted a certificate in accordance with paragraph 5.21, investigate the cause of that withdrawal and the correlation (if any) between the new service introduction and the existing service withdrawal.

5.24 Where the Infrastructure Manager is investigating the cause of the withdrawal of an existing international high-speed passenger service, the Infrastructure Manager may reasonably require either or both of the Withdrawing TOC and the New Service TOC to provide the Infrastructure Manager with relevant information to allow the Infrastructure Manager to make the determination referred to in paragraph 5.26, and either/both (as the case may be) shall promptly comply with such requirement.

5.25 It is a condition of a TOC's entitlement to discounts under the International Growth Incentive Scheme that it provides all relevant information requested in accordance with paragraph 5.24. The Infrastructure Manager reserves the right to suspend and ultimately withdraw the availability of the International Growth Incentive Scheme to a TOC if it does not comply in this regard.

5.26 Once an investigation has been initiated and the Infrastructure Manager has obtained all relevant information, it shall promptly determine (acting reasonably) the extent of the displacement (if any), whether an Incentive Adjustment should be made, and if so, the amount. The Infrastructure Manager shall notify the New Service TOC and the Withdrawing TOC (if the Withdrawing TOC has submitted a certified claim pursuant to paragraph 5.21) of its determination and its reasoning, and the New Service TOC of the amount of any Incentive Adjustment if so determined. Any Incentive Adjustment will be applied as part of the annual Wash Up Amount calculation set out in the relevant Framework Track Access Agreement. See paragraph 6.9 for more detail about how an Incentive Adjustment is calculated.

6. CALCULATING INCENTIVE PAYMENTS FOR THE NEW SERVICES INCENTIVE

Incentive Term Quarter calculations

6.1 If a TOC qualifies for the International Growth Incentive Scheme, subject to ORR approval:

(a) paragraphs 2.1, 10 and 10A of Part 2 (Track Charges) of Section 7 (Track Charges) of the Passenger Access Terms will be substituted for the duration of that TOC's Incentive Term with provisions which provide for the calculation of applicable discounts under the scheme and associated wash ups respectively, as described in the remaining paragraphs of this paragraph 6. Outside of that Incentive Term, the

normal provisions of paragraphs 2.1, 10 and 10A of Part 2 of Section 7 of the Passenger Access Terms and non-discounted IRC will prevail;

(b) the discount percentages specified in paragraphs 5.7, 5.12, 5.13 and 5.16 will be converted into equivalent Discount Factors and inserted in Part 2 of Schedule 4 (Track Charges) of that TOC's Framework Track Access Agreement, where the Discount Factor for Train Slots which do not qualify for a discount under the International Growth Incentive Scheme will be 1.0, and, for example, the Discount Factor for Qualifying Train Slots under the New Services Growth Incentive in Incentive Term Years 1 to 3 will be 0.7, 0.8, and 0.9 (30%, 20%, and 10%) respectively; and

(c) such other related changes shall be made to the relevant Framework Track Access Agreements as are necessary to give effect to the International Growth Incentive Scheme.

6.2 In respect of each Incentive Term Quarter, paragraph 2.1 of Part 2 of Section 7 of the Passenger Access Terms will operate to calculate the adjusted IRC payable in relation to each Service Group for each Incentive Period within that Incentive Term Quarter by:

(a) taking, in each case in respect of those Incentive Periods, the Train Slots which do not qualify for a discount under the International Growth Incentive Scheme, the Qualifying Train Slots under the New Services Growth Incentive, the Qualifying Train Slots under the New Destination Incentive, and the Qualifying Train Slots under the New Rolling Stock Incentive;

(b) separately multiplying each by the IRC Per Train Per Minute rate, the Chargeable Journey Time, the appropriate indexation factor, and the relevant Discount Factor; and

(c) aggregating the resulting IRC from those separate calculations.

6.3 If in relation to an Incentive Term Quarter, a TOC has timetabled in the parts of the First Working Timetables, New Working Timetables and Working Timetables occurring in that Incentive Term Quarter:

(a) more Train Slots for the operation of international high-speed passenger services on HS1 in that Incentive Term Quarter than its New Services Quarterly Baseline, the relevant Discount Factors will be applied from Part 2 of Schedule 4 (Track Charges) of that TOC's Framework Track Access Agreement for any Qualifying Train Slot in the calculation for that Incentive Term Quarter made under paragraph 2.1 of Part 2 (Track Charges) of Section 7 (Track Charges) of the Passenger Access Terms; and

(b) the same number of or less Train Slots for the operation of international high-speed passenger services on HS1 in that Incentive Term Quarter than its New Services Quarterly Baseline, no discount will be available for that Incentive Term Quarter and a Discount Factor of 1.0 shall be applied for any Qualifying Train Slot in the calculation for that Incentive Term Quarter made under paragraph 2.1 of Part 2 of Section 7 of the Passenger Access Terms.

6.4 If a TOC has the necessary access rights, and has bid in accordance with the HS1 Network Code to operate an international high-speed passenger service in an Incentive Term Quarter, but that service was either not included in the relevant timetable, or it was but has since been removed or amended such that the related Train Slot no longer meets the relevant qualifying criteria to be a Qualifying Train Slot, in each case because of a HS1 Restriction of Use caused by the Infrastructure Manager, that Train Slot shall nonetheless be deemed a Qualifying Train Slot which met the intended qualifying criteria for a discount.

6.5 It is a condition of receiving any of the discounts under the New Services Incentive, that the TOC submits a Train Plan to the Infrastructure Manager at the start of each Incentive Term Quarter, certified by a statutory director as a true statement of the Train Slots:

(a) that will be operated in that Incentive Term Quarter to and from New Destinations and New Intermediate Stations, and that will be operated using New Rolling Stock; and

(b) that were actually operated in the preceding Incentive Term Quarter to and from New Destinations and New Intermediate Stations, and which were actually operated using New Rolling Stock.

Quarterly and annual Wash Up Amount calculations

6.6 Paragraphs 10A and 10 of Part 2 (Track Charges) of Section 7 (Track Charges) of the Passenger Access Terms set out the quarterly and annual Wash Up Amount calculations respectively, providing for, among other things, quarterly and annual reconciliations of IRC to take account of intervening changes in the number of services from those originally timetabled, the crystallisation of previously estimated charges, and indexation. During an Incentive Term, further reconciliations will be made in these calculations to determine:

(a) in relation to the immediately preceding Incentive Term Quarter, whether more or less discounted IRC is applicable to that Incentive Term Quarter, depending on whether the TOC was above, at, or below its New Services Quarter Baseline, and if above, the extent of the applicable discounts, taking account of any extra Qualifying Train Slots timetabled by the TOC in that Incentive Term Quarter as Spot Services and those Train Slots which would have been Qualifying Train Slots in that Incentive Term Quarter, but for an intervening HS1 Restriction of Use caused by the Infrastructure Manager which, in each case, have not already been taken account of in any earlier calculations for the Incentive Term Year in which that Incentive Term Quarter occurs; and

(b) in relation to the immediately preceding Incentive Term Year, whether more or less discounted IRC is applicable to that Incentive Term Year, depending on whether the TOC was above, at, or below its New Services Annual Baseline, and if above, the extent of the applicable discounts, taking account of any extra Qualifying Train Slots timetabled by the TOC in that Incentive Term Year as Spot Services and those Train Slots which would have been Qualifying Train Slots in that Incentive Term Quarter, but for an intervening HS1 Restriction of Use caused by the Infrastructure Manager which, in each case, have not already been taken account of in any earlier calculations for that Incentive Term Year.

6.7 For each annual IRC calculation, the Qualifying Train Slots for the relevant Incentive Term Year are calculated as follows:

$$QTS_t = TPT_t + SSTS_t - NSAB_t$$

where:

TPT_t means the aggregate number of that TOC's Train Slots which were to operate Timetabled Passenger Trains in that Incentive Term Year, as specified in the parts of the First Working Timetables occurring in that Incentive Term Year;

$SSTS_t$ means the aggregate number of that TOC's Train Slots which were to operate Spot Services on HS1 in that Incentive Term Year, as specified in the parts of the New Working Timetables or Working Timetables occurring in that Incentive Term Year; and

$NSAB_t$ means the New Services Annual Baseline for that TOC.

6.8 While considered unlikely, if a TOC had previously:

(a) not received discounts in an Incentive Term Year, but the calculation under paragraph 10 of Part 2 (Track Charges) of Section 7 (Track Charges) of the Passenger Access Terms determined that the TOC had timetabled more Train Slots for the operation of international high-speed passenger services on HS1 in that Incentive Term Year than its New Services Annual Baseline, the resulting annual Wash Up Amount shall include all discounted IRC that TOC is entitled to for that Incentive Term Year and the Infrastructure Manager shall pay that discounted IRC in accordance with the terms of Part 2 of Section 7 of the Passenger Access Terms; and

(b) received discounts in an Incentive Term Year, but the calculation under paragraph 10 of Part 2 of Section 7 of the Passenger Access Terms determined that the TOC had timetabled the same number of or less Train Slots for the operation of international high-speed passenger services on HS1 in that Incentive Term Year than its New Services Annual Baseline, the resulting annual Wash Up Amount shall include the discounted amount of IRC the TOC previously received for that Incentive Term Year and the TOC shall pay that additional IRC in accordance with the terms of Part 2 of Section 7 of the Passenger Access Terms.

6.9 Paragraph 10 of Part 2 of Section 7 of the Passenger Access Terms will provide for Incentive Adjustments to be made if relevant, in addition to the ordinary course IRC adjustments referred to in the first sentence of paragraph 6.6 and the new adjustments referred to in the remainder. If the Infrastructure Manager has determined in accordance with paragraph 5.26 that a TOC has displaced the services of another through the introduction of new services discounted under the New Services Growth Incentive, an Incentive Adjustment will be calculated by taking for the Relevant Year, 50 per cent. of the New Services Growth Incentive that TOC received and multiplying that by the number of Train Slots displaced, divided by the number of that TOC's Qualifying Train Slots (expressed as a percentage). The normal provisions of paragraph 10 of Part 2 of Section 7 of the Passenger Access Terms will prevail outside of Incentive Terms.

7. PASSENGER INCENTIVE

7.1 The Passenger Incentive seeks to incentivise passenger growth and promote modal shift in the context of TOCs seeking to grow services. It is recognised that it is in TOC interests to operate fuller trains as this increases its operating revenues while optimising the use of its assets, and that it is in the Infrastructure Manager's interests if more people travel on international high-speed passenger services using HS1 because this increases its own commercial revenues at HS1 stations and its access charges.

7.2 The Passenger Incentive is therefore designed to support aligned revenue management strategies by creating a joint fund between the TOC and the Infrastructure Manager. The fund is to be spent on agreed marketing initiatives and promotional activities, the purpose of which is to jointly promote or market the TOC's international high-speed passenger services on HS1, promote the broader high-speed rail opportunity (including modal shift to international high-speed rail travel), or otherwise spent in such manner as the Infrastructure Manager and the TOC agree (or as otherwise determined in accordance with paragraph 7.7) with the purpose of increasing passenger demand on or improving that TOC's international high-speed passenger services on HS1. It is envisaged that the Passenger Incentive will be particularly helpful where a TOC is seeking to operate new services to new destinations where awareness of international high-speed passenger services to and from London St Pancras International station will likely be lower than around established destinations.

7.3 The Passenger Incentive is available to all existing or prospective TOCs that have met the requirements for qualification referred to in paragraph 3 and whose passenger volumes grow in accordance with paragraph 7.4.

7.4 If in any Incentive Term Year, a TOC carries more fare-paying passengers on its international high-speed passenger services operating on HS1 than its Passenger Baseline for that year, the Infrastructure Manager will, subject to paragraph 7.6, promptly pay into the Passenger Joint Account after the end of that Incentive Term Year, £1 (indexed in accordance with the indexing of IRC in the Passenger Access Terms) per additional passenger carried.

7.5 If the number of passengers a TOC was able to carry in a given Incentive Term Year was restricted by a HS1 Restriction of Use caused by the Infrastructure Manager, for the purpose of determining the total amount payable into the Passenger Joint Account in respect of that Incentive Term Year, the total number of passengers carried by that TOC in that Incentive Term Year shall be deemed to include the number of passengers which could not be carried as a result. Such an adjustment shall be determined by the Infrastructure Manager (acting reasonably) having regard to the passenger loading data the TOC has made available under paragraph 7.6 and any other relevant information.

7.6 No later than 10 Working Days after each Incentive Period, the relevant TOC shall provide the Infrastructure Manager with passenger loading data for that Incentive Period, certified by a statutory director as setting out the number of fare-paying passengers (disaggregated by passenger class of travel) which travelled on its international high-speed passenger services using HS1 on each day of that Incentive Period. That data will be treated as confidential by the Infrastructure Manager.

7.7 For the purpose of paragraph 7.2, if the Infrastructure Manager and the TOC cannot agree what to spend any of the funds from the Passenger Joint Account on, the amount of spending, the timing of payments, or any other matter concerning the funds in the Passenger Joint Account, in each case within three months of the end of the Incentive Term, the Infrastructure Manager will in its absolute discretion, decide those disputed matters without further reference to the TOC. Any such decision taken by the Infrastructure Manager alone shall not be regarded as nor comprise an exercise of discretion.

APPENDIX TO ANNEX 3: INCENTIVES AND WORKED EXAMPLES

1. SUMMARY OF INCENTIVES (AS PERCENTAGES) FOR NEW SERVICES INCENTIVE

Incentive Term Year	New Services Growth Incentive	New Destination Incentive		New Rolling Stock Incentive	Maximum Incentive
		New Destinations	New Intermediate Stations		
	IRC discount per Qualifying Train Slot				Maximum IRC discount per Multi-Qualifying Train Slot
Year 1	30%	20%	10%	15%	50%
Year 2	20%	15%	7.5%	10%	40%
Year 3	10%	10%	5%	5%	30%

2. INTERNATIONAL GROWTH INCENTIVE SCHEME WORKED EXAMPLES

Information used in the worked examples

2.1 The following New Services Incentive worked examples are intended to show the cumulative effect of the various components of the New Services Incentive. Each example assumes the fact base in Worked Example 1 in paragraph 2.5, where a TOC operates new international high-speed passenger services during its Incentive Term above its baseline, thereby qualifying for the discounts under the New Services Growth Incentive. In each subsequent worked example, it is assumed that the TOC also qualifies for other components of the New Services Incentive to show the cumulative effects of the scheme. Worked Example 4 in paragraph 2.8 shows how the Maximum Incentive is intended to work. Worked Example 5 in paragraph 2.9 shows the application of the Incentive Adjustment.

2.2 For simplicity, in the worked examples:

(a) there is no application of indexation – when performing actual IRC calculations under paragraph 2.1 of Part 2 (Track Charges) of Schedule 7 (Track Charges) of the Passenger Access Terms, indexation will also be applied to the IRC Per Train Per Minute amount;

(b) the final year-end calculations has been shown against the New Services Annual Baseline, and not the quarterly calculations against the New Services Quarterly Baseline;

(c) the numbers have been rounded; and

(d) the discounts are expressed as percentages, rather than Discount Factors, consistent with how they are expressed in the scheme.

2.3 The worked examples are based on the IRC Per Train Per Minute as at the start of the Scheme Period, and a Chargeable Journey Time of 31 minutes.

2.4 The following key applies in the worked examples:

CJT	means Chargeable Journey Time of a train, specified in column E of Part 2 of Schedule 4 (Track Charges) of the relevant TOC's Framework Track Access Agreement;
D%	means the percentage discount for the relevant New Services Incentive;
FWT	means the relevant TOC's Train Slots included in relevant First Working Timetable;
IRC	means Investment Recovery Charge payable in an Incentive Period;
IRC PTM	means IRC Per Train Per Minute, specified in column C of Part 2 of Schedule 4 of the relevant TOC's Framework Track Access Agreement;
NDI	means the New Destination Incentive;
NISI	means the new intermediate stations incentive, forming part of the New Destination Incentive;
NSGI	means the New Services Growth Incentive;
NSI	means New Services Incentive;
NRSI	means the New Rolling Stock Incentive;
QTS	means Qualifying Train Slots for the relevant New Services Incentive; and
TOV	means the relevant TOC's Train Slots included in any accepted Train Operator Variation for the relevant New Working Timetable or Working Timetable.

New Services Growth Incentive Worked Example 1

2.5 A TOC operates new international high-speed passenger services on HS1 in each of its three Incentive Term Years. The TOC is operating more services than its New Services Annual Baseline in each Incentive Term Year.

Measure	Unit	Incentive Term Year 1	Incentive Term Year 2	Incentive Term Year 3
New Services Annual Baseline	Slots	10,000	10,000	10,000
Operated Services (FWT + Spots)	Slots	20,000	20,000	20,000
Delta Train Slots from baseline	Slots	10,000	10,000	10,000
Qualifying Train Slots	Slots	**10,000**	**10,000**	**10,000**
IRC (IRC PTM x CJT)	£k/slot	3.978	3.978	3.978
Undiscounted IRC payable on QTS (QTS x IRC)	**£k**	**39,780**	**39,780**	**39,780**
Discount	%	30	20	10
New Services Growth Incentive (QTS x IRC x D%)	**£k**	**11,934**	**7,956**	**3,978**
Discounted IRC payable on QTS (Undiscounted IRC – Total NSGI)	**£k**	**27,846**	**31,824**	**35,802**

New Destination Incentive Worked Example 2

2.6 The fact base is the same as Worked Example 1, except a proportion of the TOC's additional Train Slots are to be operated to New Destinations and New Intermediate Stations, with those additional Train Slots which go to New Destinations not also stopping at the New Intermediate Stations:

Measure	Unit	Incentive Term Year 1	Incentive Term Year 2	Incentive Term Year 3
New Services Annual Baseline	Slots	10,000	10,000	10,000
Operated Services (FWT + Spots)	Slots	20,000	20,000	20,000
Delta Train Slots from baseline	Slots	10,000	10,000	10,000
Qualifying Train Slots	Slots	**10,000**	**10,000**	**10,000**
of which: to existing destinations/stations	Slots	2,500	2,500	2,500
of which: to New Destinations	Slots	5,000	5,000	5,000
of which: to one New Intermediate Station	Slots	2,500	2,500	2,500
IRC (IRC PTM x CJT)	£k/slot	3.978	3.978	3.978
Undiscounted IRC payable on QTS (QTS x IRC)	**£k**	**39,780**	**39,780**	**39,780**
New Services discount	%	30	20	10
New Destinations discount	%	20	15	10
New Intermediate Station discount	%	10	7.5	5
Discount %s by Qualifying Train Slot type				
To existing destinations/stations (NSGI)	%	30	20	10
To New Destinations (NSGI + NDI)	%	50	35	20
To New Intermediate Stations (NSGI + NISI)	%	40	27.5	15
NSI by Qualifying Train Slot type				
To existing destinations/stations (NSGI)	**£k**	**2,984**	**1,989**	**995**
To New Destinations (NSGI + NDI)	**£k**	**9,945**	**6,962**	**3,978**
To New Intermediate Stations (NSGI + NISI)	**£k**	**3,978**	**2,735**	**1,492**
in each case: QTS x IRC x D%				
NSI by incentive type				
New Services Growth Incentive	**£k**	**11,934**	**7,956**	**3,978**
New Destination Incentive	**£k**	**3,978**	**2,984**	**1,989**
New Intermediate Stations Incentive	**£k**	**995**	**746**	**497**
in each case: QTS x IRC x D%				
Total New Services Incentive (NSGI + NDI (inc. NISI))	**£k**	**16,907**	**11.685**	**6,464**
Discounted IRC payable on QTS (Undiscounted IRC – Total NSI)	**£k**	**22,874**	**28,095**	**33,316**

New Rolling Stock Incentive Worked Example 3

2.7 The fact base is the same as Worked Example 1, except a proportion of the TOC's additional Train Slots are to be operated using New Rolling Stock:

Measure		Unit	Incentive Term Year 1	Incentive Term Year 2	Incentive Term Year 3
New Services Annual Baseline		Slots	10,000	10,000	10,000
Operated Services (FWT + Spots)		Slots	20,000	20,000	20,000
Delta Train Slots from baseline		Slots	10,000	10,000	10,000
Qualifying Train Slots		Slots	**10,000**	**10,000**	**10,000**
of which:	using existing rolling stock	Slots	0	0	0
	using New Rolling Stock	Slots	10,000	10,000	10,000
IRC (IRC PTM x CJT)		£k/slot	3.978	3.978	3.978
Undiscounted IRC payable on QTS		**£k**	**39,780**	**39,780**	**39,780**
(QTS x IRC)					
New Services discount		%	30	20	10
New Rolling Stock discount		%	15	10	5
Discount % by Train Slot type					
Using existing rolling stock (NSGI)		%	30	20	10
Using New Rolling Stock (NSGI+NRSI)		%	45	30	15
NSI by Train Slot type					
Using existing rolling stock (NSGI)		**£k**	**0**	**0**	**0**
Using New Rolling Stock (NSGI+NRSI)		**£k**	**17,901**	**11,934**	**5,967**
in each case: QTS x IRC x D%					
NSI by incentive type					
New Services Growth Incentive		**£k**	**11,934**	**7,956**	**3,978**
New Rolling Stock Incentive		**£k**	**5,967**	**3,978**	**1,989**
in each case: QTS x IRC x D%					
Total New Services Incentive		**£k**	**17,901**	**11,934**	**5,967**
(NSGI + NRSI)					
Discounted IRC payable on QTS		**£k**	**21,879**	**27,846**	**33,813**
(Undiscounted IRC – Total NSI)					

Maximum Incentive Worked Example 4

2.8 The fact base is a combination of Worked Example 2 and Worked Example 3 with the TOC operating to New Destinations and New Intermediate Stations using New Rolling Stock. The Maximum Incentive has been applied:

Measure		Unit	Incentive Term Year 1	Incentive Term Year 2	Incentive Term Year 3
New Services Annual Baseline		Slots	10,000	10,000	10,000
Operated Services (FWT + Spots)		Slots	20,000	20,000	20,000
Delta Train Slots from baseline		Slots	10,000	10,000	10,000
Qualifying Train Slots		Slots	**10,000**	**10,000**	**10,000**
of which:	using existing rolling stock:				
	to existing destinations/stations	Slots	0	0	0
	to New Destinations	Slots	0	0	0
	to one New Intermediate Stations	Slots	0	0	0
	using New Rolling Stock:				
	to existing destinations/stations	Slots	2,500	2,500	2,500
	to New Destinations	Slots	5,000	5,000	5,000
	to one New Intermediate Stations	Slots	2,500	2,500	2,500
IRC (IRC PTM x CJT)		£k/slot	3.978	3.978	3.978
Undiscounted IRC on QTS (QTS x IRC)		**£k**	**39,780**	**39,780**	**39,780**
New Services discount		%	30	20	10
New Destinations discount		%	20	15	10
New Intermediate Station discount		%	10	7.5	5
New Rolling Stock discount		%	15	10	5
Discount % by Train Slot type (pre-Max Incentive) (excess discount shown in red)					
Using existing rolling stock:					
to existing destinations/stations (NSGI)		%	30	20	10
to New Destinations (NSGI + NDI)		%	50	35	20
to New Intermediate Stations (NSGI + NISI)		%	40	27.5	15
Using New Rolling Stock:					
to existing destinations/stations (NSGI + NRSI)		%	45	30	15
to New Destinations (NSGI + NDI + NRSI)		%	65	45	25
to New Intermediate Stations (NSGI + NISI + NRSI)		%	55	37.5	20
Maximum Incentive (per QTS)		**%**	**50**	**40**	**30**
NSI by Train Slot type (pre-Max Incentive)					
Using existing rolling stock:					
to existing destinations/stations (NSGI)		**£k**	**0**	**0**	**0**
to New Destinations (NSGI + NDI)		**£k**	**0**	**0**	**0**

Measure	Unit	Incentive Term Year 1	Incentive Term Year 2	Incentive Term Year 3
to New Intermediate Stations (NSGI + NISI)	£k	0	0	0
Using New Rolling Stock:				
to existing destinations/stations (NSGI + NRSI)	£k	4,475	2,984	1,492
to New Destinations (NSGI + NDI + NRSI)	£k	12,929	8.951	4,973
to New Intermediate Stations (NSGI + NISI + NRSI)	£k	5,470	3,729	1,989
Total discounted IRC pre Maximum Incentive	£k	22,874	15,663	8,453
NSI by Train Slot type (post-Max Incentive) (adjustment shown in green)				
Using existing rolling stock:				
to existing destinations/stations (NSGI)	£k	0	0	0
to New Destinations (NSGI + NDI)	£k	0	0	0
to New Intermediate Stations (NSGI + NISI)	£k	0	0	0
Using New Rolling Stock:				
to existing destinations/stations (NSGI + NRSI)	£k	4,475	2,984	1,492
to New Destinations (NSGI + NDI + NRSI)	£k	9,945	7,956	4,973
to New Intermediate Stations (NSGI + NISI + NRSI)	£k	4,973	3,729	1,989
Total discounted IRC post Max Incentive	£k	19,393	14,669	8,453
Total New Services Incentive (NSGI + NDI (inc. NISI) + NRSI)	£k	19,393	14,669	8,453
Discounted IRC payable on QTS	£k	20,387	25,111	31,327

Incentive Adjustment Worked Example 5

2.9 The fact base is the same to Worked Example 4, with the TOC (TOC A) operating to New Destinations and New Intermediate Stations, and deploying New Rolling Stock as before, but a proportion of its new international high-speed passenger services directly cause the displacement of TOC B's existing services:

Measure		Unit	Incentive Term Year 1	Incentive Term Year 2	Incentive Term Year 3
New Services Annual Baseline		Slots	10,000	10,000	10,000
Operated Services (FWT + Spots)		Slots	20,000	20,000	20,000
Delta Train Slots from baseline		Slots	10,000	10,000	10,000
Qualifying Train Slots		Slots	**10,000**	**10,000**	**10,000**
of which:	Using existing rolling stock:				
	to existing destinations/stations	Slots	0	0	0
	to New Destinations	Slots	0	0	0
	to New Intermediate Stations	Slots	0	0	0
	Using New Rolling Stock:				
	to existing destinations/stations	Slots	2,500	2,500	2,500
	to New Destinations	Slots	5,000	5,000	5,000
	to New Intermediate Stations	Slots	2,500	2,500	2,500
IRC (IRC PTM x CJT)		£k/slot	3.978	3.978	3.978
Undiscounted IRC on QTS		**£k**	**39,780**	**39,780**	**39,780**
(QTS x IRC)					
New Services discount		%	30	20	10
New Destinations discount		%	20	15	10
New Intermediate Station discount		%	10	7.5	5
New Rolling Stock discount		%	15	10	5
NSI by Train Slot type (post-Max Incentive) as per Worked Example 4 (adjustment shown in green)					
Using existing rolling stock:					
to existing destinations/stations (NSGI)		**£k**	**0**	**0**	**0**
to New Destinations (NSGI + NDI)		**£k**	**0**	**0**	**0**
to New Intermediate Stations (NSGI + NISI)		**£k**	**0**	**0**	**0**
Using New Rolling Stock:					
to existing destinations/stations (NSGI + NRSI)		**£k**	**4,475**	**2,984**	**1,492**
to New Destinations (NSGI + NDI + NRSI)		**£k**	9,945	7,956	**4,973**
to New Intermediate Stations (NSGI + NISI + NRSI)		**£k**	4,973	**3,729**	**1,989**
Total discounted IRC post Max Incentive		**£k**	19,393	14,669	**8,453**
INCENTIVE ADJUSTMENT CALCULATION:					
New Services Growth Incentive		**£k**	**11,934**	**7,956**	**3,978**
TOC B reduction in services		Slots	-	-	(5,000)
TOC A increase in services		Slots	10,000	10,000	10,000
Proportion of TOC A services displacing TOC B services (TOC B displaced Train Slots/TOC A new Train Slots)		%	-	-	50.0

Measure	Unit	Incentive Term Year 1	Incentive Term Year 2	Incentive Term Year 3
50% of New Services Growth Incentive	£k	5,967	3,978	1,989
Incentive Adjustment (50% of New Services Growth Incentive x proportion of New Service TOC A services)	£k	-	-	(995)
Adjusted Total New Services Incentive (NSGI + NDI (inc. NISI) + NRSI)	£k	19,393	14,669	7,459
Discounted IRC payable on QTS	£k	20,387	25,111	32,321

Passenger Incentive Worked Example

2.10 The year before a TOC's Incentive Term, it carries 10 million passengers. The TOC carries more passengers than its prevailing Passenger Baseline in Incentive Term Year 1 and 3, but less in Incentive Term Year 2. Indexation has not been applied for simplicity:

Measure	Unit	Incentive Term Year 1	Incentive Term Year 2	Incentive Term Year 3
Passenger Baseline (preceding year)	k pax	10,000	11,000	10,800
Passengers above Passenger Baseline	k pax	1,000	(200)	1,000
Total passengers	k pax	11,000	10,800	11,800
Passenger Incentive	£/pax	1.00	1.00	1.00
IRC contribution to Passenger Joint Fund	**£k**	**1,000**	**0**	**1,000**

ANNEX 4 ROUTE MAP OF HS1

West Coast Main Line
Midland Main Line
0 km London St Pancras International -a
North London Line
Thameslink 2000 tunnels
East Coast Main Line
London west tunnel 7.5 km
Temple Mills Eurostar Depot (single track)
9 km **Stratford International**
Temple Mills Line
io km London east tunnel 10 km
21 km Fipple Lane freight connection
Riinham viaduct 0.5 km
27 km Aveley viaduct 1 km
30 km Thurrock viaduct (A282) (1.2 km)
32 km Fiver Thames tunnel (2.5 km)
37 km **Ebbsileet International**
North Kent Line
Phase 1 - Phase 2 boundary
39 km Fawkham „Unction link line
to Chatham Main Line for London Waterloo
50 km Medway Viaduct over Medway (1.2 km)
54 km North Downs Tunnel (3.2 km)

88 km Ashford cut and cover tunnel (1.5 km)
Maidstone East Line
South Eastern Main Line
89 km
90 km Ashford International
Marshlink Line
Ashford CII-L-DSDepot (Hitachi)
Ashford to Ramsgate
91 km Ashford Ryover (1.5 km)

South Eastern Main Line

106 km Dollands Moor Freight terminal

M20
108km CTRL/Eurotunnel boundary
Cheriton Scuttle Terminal (Folkestone)

109km Channel Tunnel to LGV Nord

ANNEX 5 TIMETABLE DEVELOPMENT CALENDAR

Weeks Prior (D)	Activity	December 2023 PCD	May 2024 SCD
73	HS1 issue timetable process dates for both Principle and Subsidiary Change Dates	19/07/2024	
55	TOC advice to HS1 of significant changes to the timetable	22/11/2024	25/04/2025
48	Provisional handover of paths between ET/NRIL	10/01/2025	14306/2025
40	Priority Date (TOC Access Proposal)	08703/2025	08/08/2025
22	HS1 Formal Offer (NWT Published)	11/07/2025	12/12/2025
0	Timetable Change Date	14/12/2025	17/05/2026

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.

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