

Freightliner submission to the Competition and Markets Authority (CMA) Call for Input to consider the Rail, Road and Inland Waterway Transport Block Exemption Regulation (RRIWTBER)

Freightliner, a logistics company providing specialising in the movement of freight by rail, welcomes the Competition Markets Authority (CMA) consideration of the Rail, Road and Inland Waterway Block Exemption Regulation (RRIWTBER) as part of the Smarter Regulation programme.

While the existence and benefits of the Block Exemption are little known in the industry, the ability which it provides to market operators is important for the productive operation of rail freight in Great Britain. With the industry focused on delivering on the Government's 75% growth target by 2050, and in the face of multiple economic and physical infrastructure challenges, the ability for operators to identify how capacity can be better utilised collectively, is vital.

Timetable capacity

During the development of the bi-annual Network Rail Working Timetable, freight operators work with Network Rail to support the production of the timetable, balancing trade-offs of different users to ensure capacity is used optimally. The weekly "informed traveller" timetable makes changes to the Working Timetable to support Network Rail's engineering requirements and also enables freight operators to respond to changes in customer demand, which includes offering paths for additional freight services. Given the capacity constraints across much of the network, some of the additional capacity that can be found at late notice for additional freight services, are a consequence of other trains that are not planned to run a specific day. Discussions around what trains are expected to run and what are not planned to run, both between the operators and with Network Rail, is crucial to provide the capacity for the additional services to operate. Such conversations support the efficient and optimal use of network capacity.

The Block Exemption enables industry to collaborate, ensuring capacity is used most efficiently and ensures that the timetable is optimised to ensure the maximum number of trains can be pathed.

Growth Target and Infrastructure capacity

The industry is focused on delivering on the recently announced rail freight growth target of 75% by 2050. Noting economic challenges and limitation in physical infrastructure enhancements, the need to extract the maximum efficiency and utility of existing capacity is crucial. The rail network is already, very congested and therefore the sharing of information to enable operators to be aware of options to increase their operations is key. The Block Exemption provides the ability to operators to exchange and act upon this information.

Environmental support

Rail freight is the least carbon emitting land transport mode and its utility is actively supporting supply chains efforts to decarbonise by 2050. Growing rail freight also reduces congestion on the strategic road network, reducing emissions and road traffic accidents. To maximise the environmental benefit of rail freight, utility of freight paths must be managed efficiently. The Block Exemption supports this management and rail freights efforts to decarbonise.

Consequences of removing the Block Exemption

Removal of the Block Exemption would remove the ability of operators and Network Rail to work together to maximise the available capacity and support optimisation of the network. This would impact on the ability to grow rail freight volumes and deliver the significant environmental benefits associated with modal shift to rail. It would increase costs by reducing network efficiency, impact performance levels and likely result in a reduction in the amount of capacity for services in the network.

Conclusion

The Block Exemption is highly valued by the rail industry and provides an important function in increasing the efficiency of industry activity and providing better outcomes for operators, freight customers and Network Rail. Although the benefits are clear and its application is used as part of industry processes, there is limited awareness over how the Block Exemption underpins important industry processes. We therefore recommend that consideration is given to raising awareness of this Exemption.

We note and support the submissions of trade associations, Rail Partners and the Rail Freight Group. We encourage the CMA to advise the continuation of the Block Exemption to DfT and look forward to working with the ORR and the DfT in raising awareness of the benefits bestowed by this legislation.