

# **Crossrail Central Operating Section**

Request for views on Station Charging Proposals

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# 1 Background

## 1.1 The Crossrail Project

The Crossrail project will improve journey times across London, ease congestion and offer better connections, changing the way people travel around the capital. It will offer crowding relief on the Underground and DLR networks, as well as at congested stations. Crossrail services will connect Reading and Heathrow to the west of London with Shenfield and Abbey Wood to the east, running through a new 13 mile (21km) twin-bore tunnel under central and east London. The tunnel under London (and associated infrastructure) will be the Crossrail Central Operating Section (CCOS), with ten stations located adjacent to the CCOS. The CCOS has been designed to facilitate high capacity metro passenger rail services, moving large numbers of people more easily, more quickly and more directly across London.

## 1.2 Transport for London

Transport for London (TfL) is a statutory body created by section 154 of the GLA Act 1999 ("the GLA Act"). Section 154(3) of the GLA Act requires TfL to exercise its functions to facilitate the discharge of the general transport duty set out in section 141. This duty includes:

- in respect of the Mayor, a requirement to develop and apply policies to promote and encourage safe, integrated, efficient and economic transport facilities and services to, from and within Greater London; and
- in respect of the Greater London Authority, an obligation to use its powers to secure the transport facilities and services mentioned above.

## 1.3 Rail for London (Infrastructure) Limited, the CCOS and the CTOC Stations

The CCOS largely comprises that part of the Crossrail route that is not part of the existing NR network. It runs from Portobello Junction (exclusive) in the West to Abbey Wood Sidings (including Plumstead Sidings) in the South East and Pudding Mill Lane Junction (exclusive) in the East. Please refer to Appendix 1 for a route map of Crossrail, where the CCOS is highlighted in red.

TfL is currently the ultimate owner of the majority of the land comprising the CCOS and the infrastructure affixed to it. TfL has established a new wholly-owned subsidiary, Rail for London (Infrastructure) Limited (RfL(I)), which will be the infrastructure manager of the CCOS for the purposes of both The Railways (Access, Management and Licensing of Railway Undertakings) Regulations 2016 (Rail Regulations 2016) and The Railways and Other Guided Transport Systems (Safety) Regulations 2006.

There are ten stations served by the CCOS infrastructure which will be divided as follows:

- **LUL Stations: Bond Street, Tottenham Court Road, Farringdon, Liverpool Street and Whitechapel.** These are stations where the CCOS interfaces with existing stations on the London Underground network. The

stations are to be owned and operated by London Underground Limited (LUL) and, in relation to the part(s) of the station from which TfL procured services operate, benefit from an exemption from the access provisions of the Railways Act 1993 (the Act)<sup>1</sup>.

- **Crossrail Train Operating Concessionaire Stations (CTOC Stations): Paddington (CCOS); Canary Wharf; Custom House; Woolwich and Abbey Wood.** These are new stations constructed as part of the Crossrail project where there is no direct interface with the London Underground network and from which there is no exemption from the access provisions of the Act. Any station access agreement in respect of a CTOC Station must therefore be approved by the ORR before it is entered into, else it will have no legal effect.

TfL notes that Network Rail Infrastructure Limited (NR) is the owner of Abbey Wood station and certain land at the Paddington (CCOS) station. In both cases TfL is in discussions with NR regarding the transfer of ownership / granting of a long term proprietary interest to TfL<sup>2</sup>.

TfL (or NR, in the case of Abbey Wood station) will grant a lease of these stations to RfL(I), who will then grant a sub-lease of such stations to the Crossrail Train Operating Concessionaire (CTOC) from time to time<sup>3</sup>. The CTOC will be the station facility owner (SFO) of these stations for the purposes of the Act and will be responsible for the day-to-day safe operation and maintenance of the stations, as well as entering into regulated station access agreements with any access beneficiaries.

#### 1.4 Station Access Conditions

Station Access Conditions (SACs) are a suite of contractual provisions which are incorporated into each and every station access agreement, collateral agreement and lease of a station to the relevant station facility owner. NR has its own template<sup>4</sup> station access conditions for those stations operated by NR (the Independent Stations) and other stations where a train operator has a lease of the station from NR and, as facility owner, operates the station (the National Stations).

Rail for London Limited (RfL) is another company within the TfL group of companies and has a long term lease from NR of certain stations on the railway lines out of London Liverpool Street station. RfL has published (and the ORR has approved) its own template set of RfL Station Access Conditions 2015<sup>5</sup> which are incorporated into station access agreements in respect of such stations.

TfL is developing the RfL(I) Station Access Conditions (CCOS) which will then be incorporated into various contractual documentation relating to the CTOC Stations (see section 2.1 below for further information).

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<sup>1</sup> Pursuant to The Railways (London Regional Transport) (Exemptions) Order 1994.

<sup>2</sup> For the purposes of this consultation document it is assumed NR will grant a long lease in respect of Abbey Wood station to RfL(I).

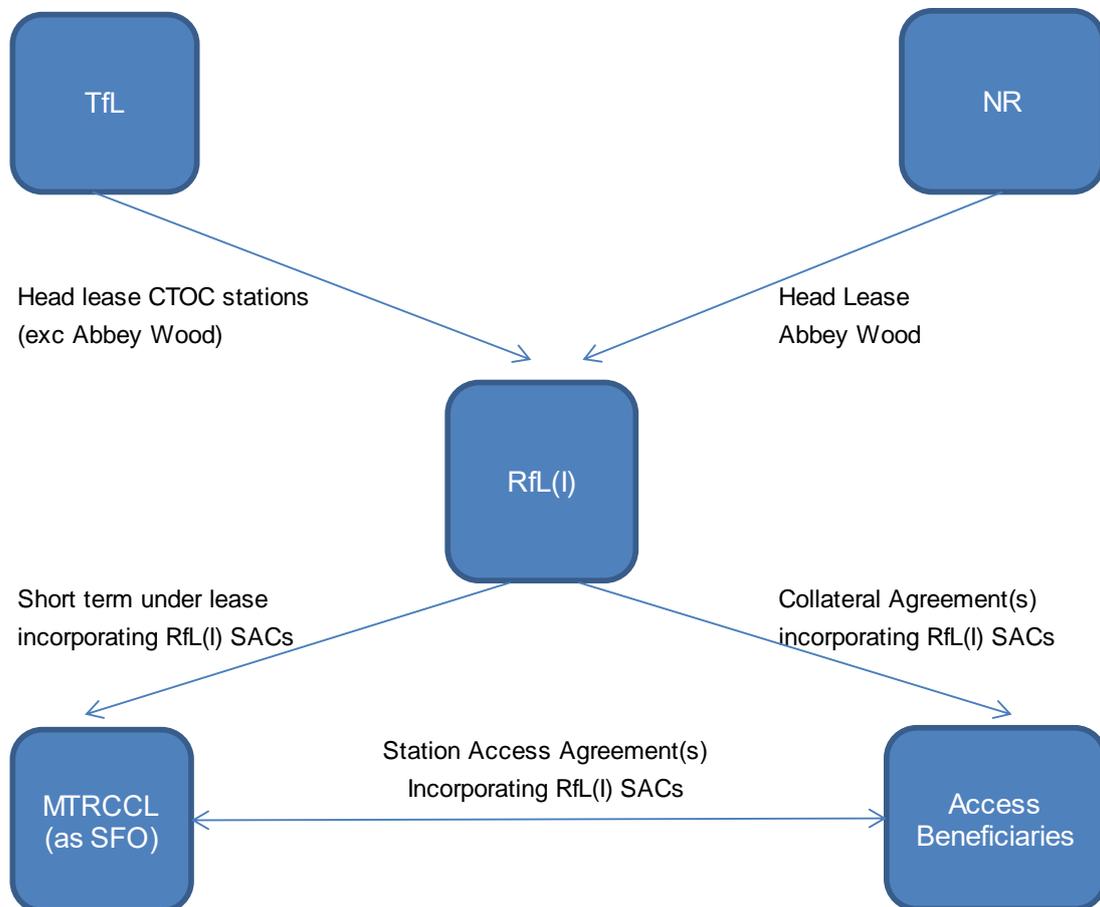
<sup>3</sup> Currently MTR Corporation (Crossrail) Limited (MTRCCL).

<sup>4</sup> <http://orr.gov.uk/what-and-how-we-regulate/station-and-depot-access/template-documentation>

<sup>5</sup> [http://orr.gov.uk/\\_data/assets/pdf\\_file/0006/18780/rfl-station-access-conditions-2015.pdf](http://orr.gov.uk/_data/assets/pdf_file/0006/18780/rfl-station-access-conditions-2015.pdf)

## 1.5 Proposed CTOC Stations structure

The proposed ownership structure for the CTOC Stations can be summarised as follows:



## 2 Stations Consultation

### 2.1 RfL(I) Station Access Conditions (CCOS)

As the RfL Station Access Conditions 2015 are an existing, approved and recent document from a company within the wider TfL group, RfL(I) intends to largely adopt the RfL Station Access Conditions 2015 as the basis of the RfL(I) Station Access Conditions (CCOS) (in short, in this document these are referred to as "RfL(I) SACs").

The main differences from the RfL Station Access Conditions 2015 to the RfL(I) SACs are:

- references to NR will not be included given NR has no role in relation to the CTOC Stations (other than in relation to Abbey Wood station);
- references to RfL shall instead be to RfL(I); and

- the structure of charges for access to each CTOC Station will be a bespoke arrangement for the CTOC Stations, reflecting the principles set out in section 2.3 below.

It is the last point above which is the key material change to the RfL Station Access Conditions 2015 and is thus the subject of this consultation.

## **2.2 Basis of Consultation**

This consultation (undertaken by TfL on behalf of itself and RfL(I)) asks consultees for their views on the proposed charging arrangements for accessing each CTOC Station (as noted above, this is intended to be the only area of material difference from the RfL Station Access Conditions 2015).

This consultation relates to the terms of access to the CTOC Stations (including Abbey Wood) only and not to the LUL Stations.

The principles set out in this consultation assume that:

- Construction and testing of CCOS has been completed and it is available for train services from the Principal Change Date in 2018 (i.e. 9<sup>th</sup> December 2018);
- RfL(I) will have a long term ownership or a proprietary interest across the whole of the CCOS and in particular that the transfer of the interests listed in section 1.3 from NR to TfL / RfL(I) take place as planned; and
- That the CCOS has been designated as Specialised Infrastructure<sup>6</sup>.

If any of these assumptions prove invalid then TfL/RfL(I) are likely to need to reconsider certain proposals set out in this consultation and associated contractual documentation.

This consultation contains a number of live links to where the current version of the referenced information is held as at the date of this consultation. To the extent that these are links to websites not managed by TfL/RfL(I), TfL/RfL(I) cannot accept any responsibility in respect of those links or the information contained on the page to which the link directs. All such links will be updated as appropriate in the final documentation.

## **2.3 Station Charging Proposals**

The Station Charging Proposals for CTOC Stations envisage that the charges will recover from users an element of the cost of construction of the CTOC Stations that was publicly funded in addition to the full ongoing cost of operation, maintenance and renewal.

The recovery of construction costs will require amendments to the RfL Station Access Conditions 2015 to be incorporated into the RfL(I) SACs.

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<sup>6</sup> Subject of a separate consultation which closed on 9<sup>th</sup> September. As noted in the Consultation Report on the designation of the CCOS as Specialised Infrastructure published on or about the date of this consultation, TfL/RfL(I) has declared the CCOS to be Specialised Infrastructure [consultations.tfl.gov.uk/rail/crossrail-cos](https://consultations.tfl.gov.uk/rail/crossrail-cos).

The proposed principles for determining this charge (referred to as an Investment Recovery Charge) are set out in the accompanying draft Station Charges Proposals document.

The CTOC Stations are still under construction and until the costs of construction have emerged, it will not be possible to predict accurately the station investment recovery charges.

However, to assist consultees in consideration of the principles referred to above, indicative levels of charges based thereon have been provided.

Some changes are also proposed to the provisions in the RfL Station Access Conditions 2015 in relation to:

- changes to charges (in part to accommodate specific matters relating to the inclusion of an investment recovery charge); and
- payment terms.

Costs of operating, maintaining and renewing the CTOC Stations will be recovered from access beneficiaries through a Long Term Charge and a Qualifying Expenditure recovery in the RfL(I) SACs consistent with the RfL Station Access Conditions 2015.

## **2.4 Other factors relevant to the scope and content of this consultation**

### **2.4.1 Anticipated services on the CCOS and to/from the CTOC Stations**

Initially, it is envisaged that only one operator, CTOC (currently operated by MTRCCL), will provide services through CCOS and to/from the CTOC Stations. This is because of: (1) the limited available capacity on NR's Great Eastern Main Line and Great Western Main Line, meaning that connecting train paths onto the CCOS are unlikely to be available in the short term; and (2) the technical requirements for trains operating on the CCOS, TfL/RfL(I) not being aware of other compatible trains currently in use.

In future, other operators may have aspirations to operate other services through CCOS and to/from the CTOC Stations. If connecting paths can be secured on NR's network, RfL(I) may be able to accommodate further services through CCOS and to/from the CTOC Stations. Accordingly, the contractual and regulatory framework for use of the CTOC Stations is being prepared in such a way to facilitate future access, in compliance with the Rail Regulations 2016 and the Railways Act 1993.

### **2.4.2 Regulatory, contractual and charging frameworks and the impact of Brexit**

The contractual, regulatory and charging frameworks described in this consultation document are being prepared on the basis that the current legal requirements (both domestic and European in origin) will continue to apply. If this should change (whether as a result of the UK's decision to withdraw from the European Union or otherwise) TfL/RfL(I) reserve the right to revisit the regulatory and contractual framework.

In particular, it is anticipated that the requirements of the Fourth Railway Package of European legislation will be introduced into English law at or around the time that services are expected to commence on the CCOS. The contractual, regulatory and

charging frameworks are therefore being designed accordingly to be in compliance with the Fourth Railway Package. If, as a result of the United Kingdom's withdrawal from the European Union, the requirements of the Fourth Railway Package are not implemented into English law, TfL/RfL(I) also reserve the right to revisit these frameworks (and the associated contractual documentation).

### **3 How to Respond to the Consultation**

The draft Station Charging Proposals accompanies this document. In addition there is an online consultation survey with a set of consultation questions.

We would like to know what you think about our proposals. Please give us your views before Friday 16<sup>th</sup> December by completing the online consultation survey<sup>7</sup>.

### **4 Next Steps**

TfL / RfL(I) plan to issue final RfL(I) Station Access Conditions (CCOS) and Station Specific Annexes in August / September 2017. These will reflect the amendments necessary to the RfL Station Access Conditions 2015 to be incorporated into the RfL(I) SACs further to the first two bullets in section 2.1 above and in relation to charges to:

- incorporate access charging provisions as per the CTOC Station Charges Proposals;
- reflect any changes to those proposals arising from this consultation;
- reflect the Office of Rail and Road's (ORR's) establishment of the charging framework; and
- incorporate final charges reflecting the above and based on the then extant forecasts of the final construction cost of the CTOC Stations, the cost of capital and the costs of operating, maintaining and renewing the CTOC Stations infrastructure.

Dependent on the scope and nature of the comments received to this consultation, TfL / RfL(I) may consider issuing an interim consultation conclusions document.

### **5 Other Consultations**

In parallel with this consultation TfL is consulting on behalf of RfL(I) in respect of the draft CCOS Network Statement. As the principles outlined in that document for charges to non-station infrastructure are consistent with those proposed for stations, consultees are advised to consider both sets of charging proposals together.

In early 2017, TfL/RfL(I) currently plan to consult on the Framework Track Access Contract and the Network Code for the CCOS.

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<sup>7</sup> Alternatively, you can:

- Email us at [consultations@tfl.gov.uk](mailto:consultations@tfl.gov.uk)
- Write to us at FREEPOST TFL CONSULTATIONS

# Appendix 1 - Crossrail Route

Network Rail 

CCOS 

Heathrow Airport Ltd 

