

**ANNEX 1**

**CHARTER TAC BETWEEN CVL IM AND RAIL EXPRESS SYSTEMS LTD**

Ref	Section	Summary of key changes made to the model template only (consultees should review the draft document for the full detail of all changes)	Rationale
1.	General (throughout Track Access Contract)	References to Network Rail have been changed to the 'CVL IM'.	Change of infrastructure manager of the CVL.
		References to Network have changed to CVL.	Change of network routes.
		<p>A number of consequential changes have been made to reflect the above and other consequential changes required as a result of the change in infrastructure manager from Network Rail to the CVL IM, the characteristics of the CVL and the timing of the CVL Transfer, for example:</p> <ul style="list-style-type: none"> <li>(a) references to the Network Code have been changed to the CVL Network Code;</li> <li>(b) references to the Access Dispute Resolution Rules have been changed to the CVL Access Dispute Resolution Rules;</li> <li>(c) references to the Engineering Access Statement have changed to the CVL Engineering Access Statement.</li> </ul>	The CVL IM is developing certain CVL specific documents for the CVL network.
		A definition of Transfer Date has been included and is used in a number of places in the Track Access Contract.	The Transfer Date is defined as the date on which the CVL IM became the Infrastructure Manager of the CVL (being 28 March 2020).

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2.	Clauses 1-19	The definition of Expiry Date has been populated to refer to the earlier of: (a) the date five years from approval by the ORR; and (b) unless all of the CVL IM's rights and obligations are novated or otherwise transferred in full (with the approval of the ORR) to another infrastructure manager, the date on which the CVL IM ceases to be the infrastructure manager of the CVL.	The CVL IM will be unable to provide access to the CVL when it ceases to be the infrastructure manager of the CVL.
		Definitions of Welsh Ministers and TFW have been included and references have been made to the appropriate franchising authority.	The Welsh Ministers are the appropriate franchising authority and Transport for Wales is a company wholly owned by the Welsh Ministers.
		The definition of Systems Code has been extended to include reference to any other code introduced by the CVL IM in respect of the CVL.	Amended to account for the possibility that the CVL IM may need to introduce a Systems Code specific to the CVL network.
		The CVL Emergency Access Code will not be a conditions precedent.	Amended to reflect that the CVL Emergency Access Code will not be in place at the time of the Transfer Date, but will be agreed between the parties after such time.
		References have been included in the Track Access Contract, including in Schedule 7, to refer to the issue of invoices by the CVL IM or its nominee and similarly, for the payment of Track Charges to be paid to the CVL IM or its nominee.	The CVL IM may request that a nominee issues an invoice and/or receive payments on the CVL IM's behalf.
		References to Traction Electricity Rules have been deleted.	Not applicable as the CVL is not currently electrified.

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		Inclusion of clauses 6.4.3 to 6.5 (Movements of trains onto and off the CVL)	The CVL connects to Network Rail managed routes and therefore train operators may move on and off the CVL. The additional provisions at clauses 6.4 and 6.5 are intended to provide for such movements.
		Permitted disclosure of Confidential Information to the ODP, other infrastructure managers, the Welsh Ministers and TfW.	It may be necessary for the CVL IM to provide such information to Welsh Ministers and TfW under the ODP Grant Agreement. There may also be instances where the CVL IM is required to share Confidential Information with another infrastructure manager regarding systems, access, performance regime or infrastructure.
		Provision has been included to allow the CVL IM to novate or transfer the Track Access Contract to an infrastructure manager of last resort (or such other entity as directed by the Welsh Ministers) in certain limited situations.	Included at the request of the Welsh Ministers to ensure continuity of service across the CVL.
		Removal of facsimile transmission under notice provisions.	The CVL IM does not intend to communicate notices via facsimile.
3.	Schedule 3 (Collateral Agreements)	Inclusion of the KAOL Subcontract and the CVL IM Subcontract as a Collateral Agreement.	The ODP subcontracts certain obligations under the ODP Grant Agreement to both KAOL and the CVL IM. Accordingly each subcontract has been added as a Collateral Agreement.
4.	Schedule 5 (Services)	Reference to the use of electrified rolling stock on the CVL has been included.	Electrified rolling stock may not be used on the CVL until the charges pursuant to Schedule 7 have been amended to include charges for electrified rolling stock.

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5.	Schedule (Charges) 7	The definition of Track Usage Price List has been adjusted to reflect that any amendments to the price list must be agreed by the CVL IM.	The CVL IM will rely on Network Rail's Track Usage Price List in calculating the track charges and so changes proposed by Network Rail to the price list must be agreed by the CVL IM before those changes have effect in the CVL IM Track Access Contract.
		Removal of the Fixed Track Charge Wash Up.	Not applicable to the CVL IM or the CVL.
		Removal of Traction Electricity Charge and Electrification Asset Usage Charge.	Not applicable as the CVL is not currently electrified.
		Removal of Network Rail Rebate.	Not applicable to the CVL IM or the CVL.
		Removal of Part 3A (English & Welsh Grant Dilution)	Not applicable to the CVL IM or the CVL.
		Provisions included specifying the periodicity of reviews and adjustments to the charges.	To reflect the intervals for review and adjustment of charges.
		Track charges reviewed and adjusted by the CVL IM on 1 April 2024 and thereafter reviewed on a five-yearly basis.	To reflect the intervals for review and adjustment of charges.
6.	Schedule (Performance) 8	Provision has been made in Schedule 8 to reflect the fact that Network Rail administers the performance regime on behalf of the CVL IM.	<p>The train operator, the CVL IM and Network Rail have agreed that where the train operator also has a NR Track Access Contract, the performance regime for the CVL is administered by Network Rail (on behalf of the CVL IM) through Schedule 8 of the NR Track Access Contract. The CVL is be considered to be part of the Network Rail network for the purposes of Schedule 8 of the NR Track Access Contract with the train operator.</p> <p>A separate agreement has been entered into by the CVL IM and Network Rail which attributes various matters,</p>

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		<p>Where there is not an NR Track Access Contract in place the following change to the template track access contract will also apply:</p> <ul style="list-style-type: none"> <li>• Removal of European Train Control System.</li> <li>• Provision for Aggregate Net Liability of both the CVL IM and the Train Operator has been included.</li> </ul>	<p>including performance regime payments, as appropriate, between the CVL IM and Network Rail.</p> <p>Not applicable to the CVL.</p> <p>Included to cap the liability of both parties in any Financial Year under the performance regime. This will only be operative where there is no NR Track Access Contract in place.</p>
7.	Schedule 10 (CVL Network Code)	Removal of reference to the Traction Electricity Modifications.	Not applicable as the CVL is not currently signalled with this technology.