



Your reference EN010062
Our reference JARVM/43283-1579

9 June 2015

F.A.O. Tracey Williams
The Planning Inspectorate
3/18 Eagle Wing
Temples Quay House
2 The Square
Bristol
BS1 6PN

BY E-MAIL ONLY: PTPower@infrastructure.gsi.gov.uk

Dear Sirs

**Application by Tata Steel UK Limited ("Applicant") for an Order Granting Development Consent for Internal Power Generation Enhancement for Port Talbot Steelworks ("Order")
Joint Statement between the Applicant and Network Rail Infrastructure Limited**

We act on behalf of Network Rail Infrastructure Limited (**Network Rail**). In light of the close of the examination on 9 June 2015 we enclose a joint position statement between the Applicant and Network Rail with regard to the continued negotiations in this matter.

Should you have any queries in relation to the enclosed joint position statement please do not hesitate to contact Martyn Jarvis (020 7160 3457) of this firm.

Yours faithfully



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cc Duncan O'Connor – Pinsent Masons
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John Rowland – Network Rail

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THE PROPOSED PORT TALBOT STEELWORKS (POWER GENERATION ENHANCEMENT) ORDER

JOINT STATEMENT BY THE APPLICANT AND NETWORK RAIL

1. NEGOTIATIONS BETWEEN THE APPLICANT AND NETWORK RAIL

1.1 NR has previously informed the ExA that it has no objection to the Order in principle and the terms of the protective provisions in favour of NR at Part 1 of Schedule 4 to the draft DCO have been agreed between NR and the applicant (please see the letter dated 19 March 2015 submitted to the ExA by Addleshaw Goddard, on behalf of Network Rail ('the NR letter')).

1.2 As the ExA is already aware (and as set out in the NR letter), the applicant and NR have been negotiating agreements for the acquisition of the rights required for the proposed development (the Deeds of Grant) and a second agreement for the general protection of NR's interests which includes the form of Asset Protection Agreement (the Framework Agreement) for some time.

1.3 The applicant and NR are continuing to negotiate the Deeds of Grant and the Framework Agreement but have not been able to finalise these documents before the end of the Examination.

1.4 By way of an update on both agreements:

1.4.1 The parties have not yet been able to finalise terms of the Framework Agreement. The applicant received further comments from NR on the Framework Agreement on 9 June 2015 and the parties are close to reaching agreement. The applicant will update the Secretary of State once this document has been agreed.

1.4.2 The parties have not yet been able to finalise terms of the Deeds of Grant. The applicant received the latest comments from NR on the Deeds of Grant on 8 June 2015. The applicant and NR propose to hold a meeting within the next week to discuss the outstanding points and move towards finalising the terms of the Deeds of Grant, and the applicant and NR are confident that agreement will be reached soon. The applicant will update the Secretary of State as soon as possible once agreement has been reached.

1.5 The applicant and NR are fully committed to reaching agreement as soon as possible, following which NR should be in a position to remove its objection. The applicant and NR believe that such agreement can be reached within the next few weeks and will update the Secretary of State once agreements have been completed.

2. NR'S POSITION

2.1 NR has made clear to the ExA and to the applicant that it will not be in a position to withdraw its objection to the application for development consent unless the agreed protective provision are included within the DCO **and** the Framework Agreement and the Deeds of Grant have been agreed.

2.2 NR requires the Framework Agreement and the Deeds of Grant to be completed to ensure that the process for agreeing the detailed methodology for the carrying out of works affecting railway property is properly and adequately documented. While the protective provisions provide important safeguards for railway property, NR considers that they do not provide the detailed level of protection that can and should be provided by the Framework Agreement and Deeds of Grant and which are essential to ensure the safety and integrity of railway property at all times.

2.3 NR confirms that until the Framework Agreement and Deeds of Grant have been completed, NR will not be in a position to remove its objection to the DCO.

3. THE APPLICANT'S POSITION

3.1 Should agreement of the Framework Agreement and the Deeds of Grant prove impossible (and NR does not withdraw its objection) prior to the point at which the Secretary of State must make her decision, the applicant considers that the Port Talbot Steelworks (Power Generation Enhancement) Order in its current form (Revision 6) contains adequate protection for NR and therefore there is no reason why the Order cannot still be made in its current form.

3.2 For the reasons set out in paragraph 3 of the applicant's submissions of 28 May, the applicant considers that the powers of compulsory purchase are necessary and should be included within the Order. While an agreed transfer remains the applicant's preferred route for acquisition of these rights, the rights over Network Rail's land form an essential part of the proposed development and the powers of compulsory purchase need to be preserved to enable these rights to be acquired in the unlikely event that an agreement may not be reached.

3.3 The exercise of those powers would be subject to the terms of the protective provisions in favour of Network Rail, which are contained at Part 1 of Schedule 4 to the draft DCO. These protective provisions have been agreed with NR and provide adequate protection for NR in the event that the Deeds of Grant and/or the Framework Agreement cannot be agreed prior the decision period. The protective provisions contain broad general protections for NR and its infrastructure which constrain the exercise of the Order powers. In particular, the provisions prevent the exercise of the compulsory acquisition powers without NR's consent and require any works which may affect railway property to be approved by NR. NR's consent to the exercise of compulsory acquisition powers must not be unreasonably withheld, but may be given subject to reasonable conditions. Any disagreement between the parties as to reasonable conditions could be arbitrated, if necessary, via the dispute resolution procedure contained within article 27 of the draft DCO. The applicant considers therefore that DCO provides a robust and fair process to facilitate the acquisition of the rights in question (should the parties fail to agree a transfer via the Deeds of Grant) without prejudicing the interests of NR.

On behalf of Tata Steel UK Limited and Network Rail

09 June 2015