

# INTERNATIONAL RAIL

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A Global Team of  
Industry Experts

 **ADDLESHAW  
GODDARD**



# LEADING THE WAY



THE UK WAS THE FIRST COUNTRY IN THE WORLD TO SET UP PASSENGER RAIL FRANCHISE CONTRACTS IN 1996. ADDLESHAW GODDARD'S LAWYERS HAVE BEEN AT THE FOREFRONT OF THIS PROGRAMME FOR MANY YEARS. NOW THE FRANCHISING MODEL IS SHIFTING AGAIN. RAIL SERVICES ARE ADAPTING TO CHANGES IN DEMAND, TECHNOLOGY AND FINANCING. ADDLESHAW GODDARD IS WORKING ALONGSIDE THE REGULATORS, TRAIN OPERATING COMPANIES AND FINANCIAL INVESTORS TO SUPPORT AND ADVISE THROUGH THIS TIME OF TRANSFORMATION.

We are an extensive full service rail team working across multiple jurisdictions across the globe advising public and private sector clients across all aspects including:

- Rail passenger concessions
- Infrastructure projects
- Rolling stock manufacture and finance
- Rail regulation
- Freight haulage

Our clients include government departments such as DfT, infrastructure managers such as HS1 Limited and Network Rail, manufacturers such as CAF and Hitachi Rail, financiers including Eversholt Rail and SMBC whom we advise on a full range of legal services from procurement, to funding and finance, all aspects of contract and corporate law and dispute resolution.

This is a snapshot of our expertise.

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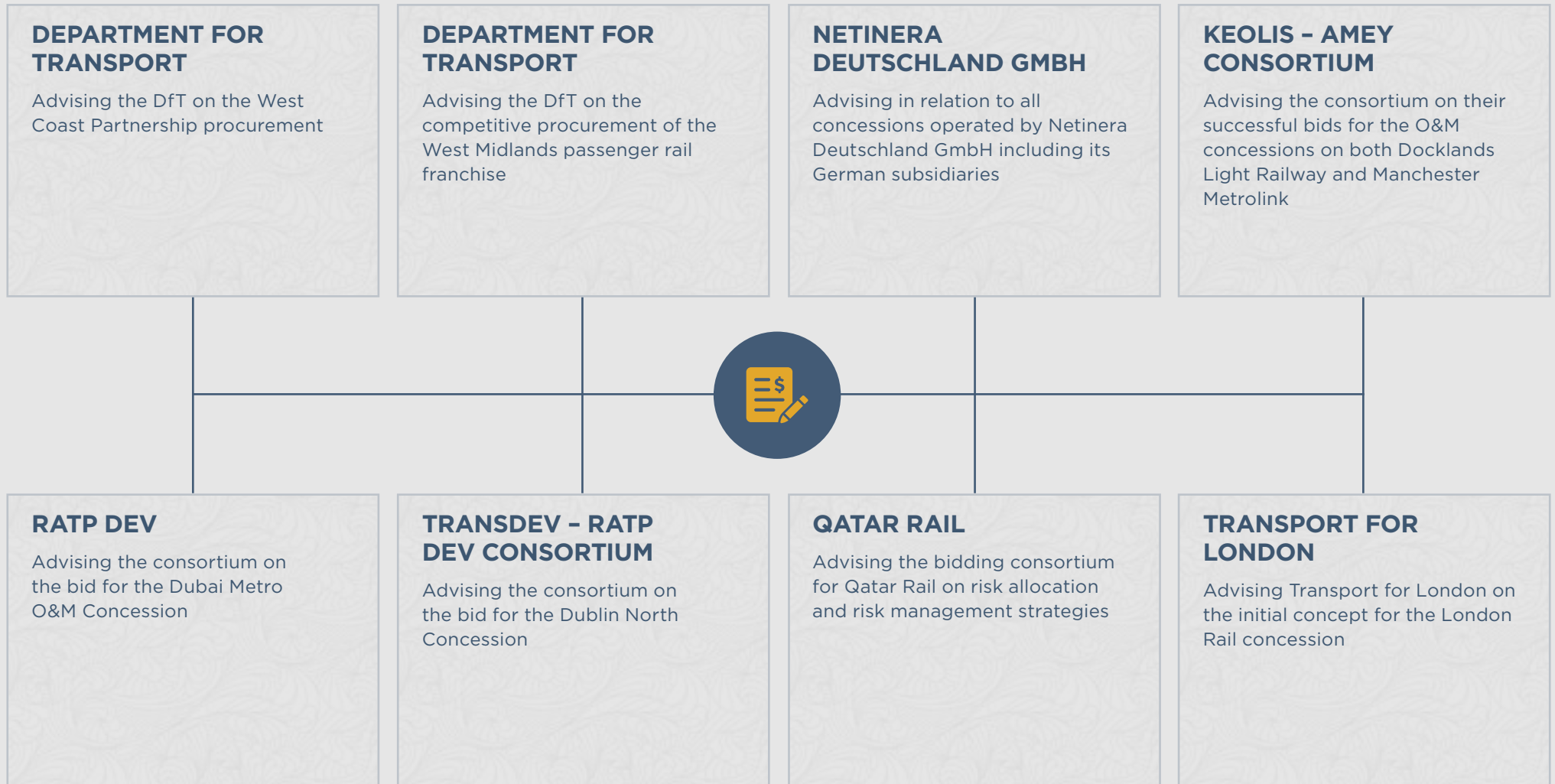
**ENVIRONMENTALLY  
FRIENDLY WAGONS**



**ABOUT AG**



# PASSENGER CONCESSIONS





# THE FUTURE OF FRANCHISING



## THE PROJECT

Addleshaw Goddard's rail team advised the DfT on the landmark West Coast Partnership (WCP) franchise competition which included operation of West Coast and HS2 services.



## OUR ROLE

On this highly bespoke project, our role included planning and structuring the Partnership, beginning with a detailed feasibility assessment for the initial proposition to combine HS2 and the Inter City West Coast services and reviewing the procurement challenges that this would pose (along with all of the other legal considerations).

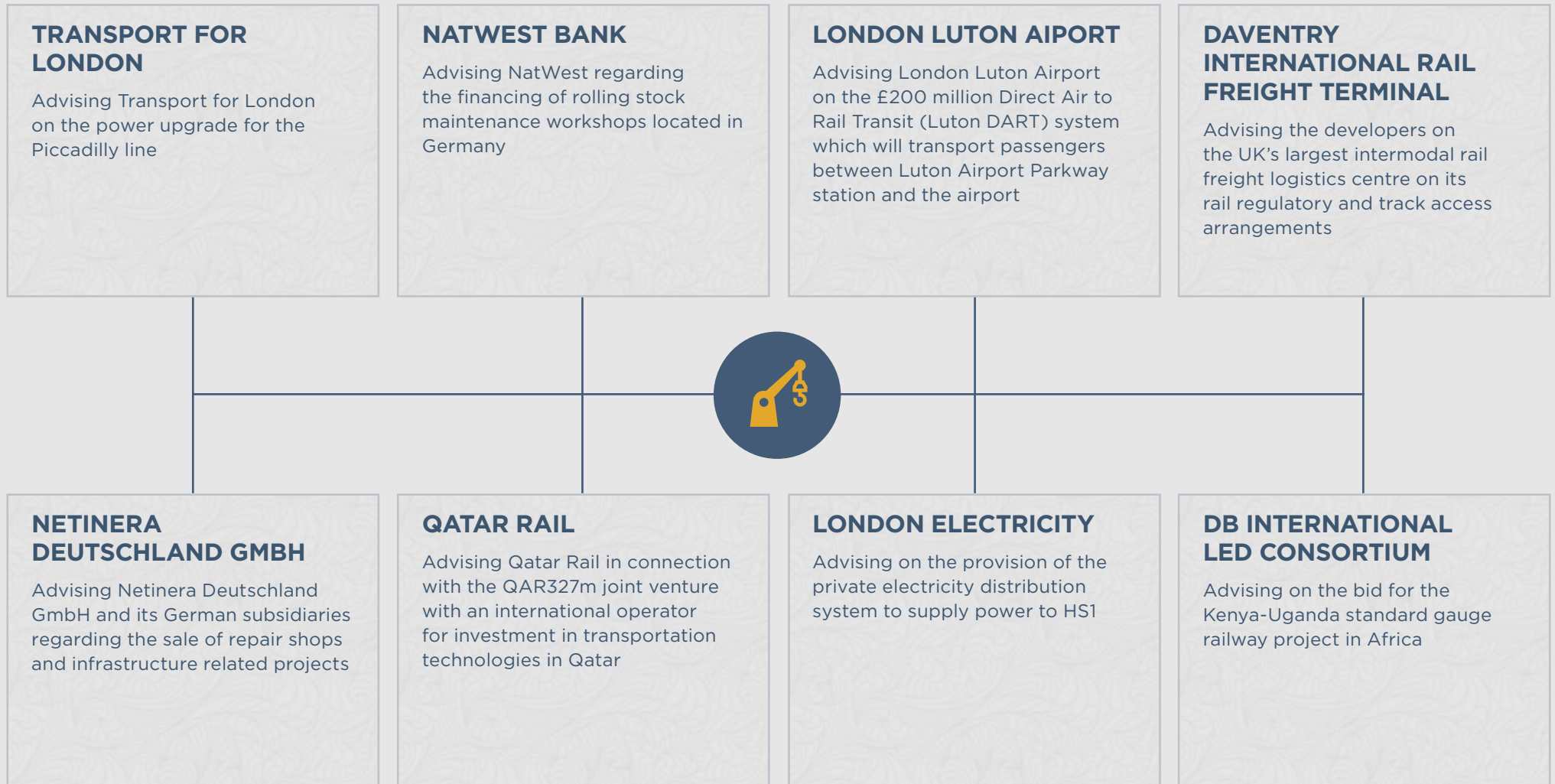


## MAKING A DIFFERENCE

Key to the success of this project was seamlessly working with the DfT and in collaboration with their other advisers on the detailed solutions for the strategic issues that had been identified, implementing them in practice by preparing the ITT and franchise agreement which led to an effective competition.

We worked as part of a joint DfT/HS2 Limited team to devise a way for the parties to work together through the life of the Partnership. The provisions we drafted ensure information flows effectively between them and any issues that may arise are addressed quickly and effectively, minimising disruption to passengers.

# INFRASTRUCTURE





# CONNECTING COUNTRIES



## THE PROJECT

At 18km long and €5bn in value, the Fehmarnbelt Tunnel is one of Europe's biggest infrastructure projects. Once completed it will be the longest immersed road and rail tunnel in the world, creating a new link between Denmark and Germany. But getting the work off the ground (or under the sea) has been a hugely complex legal challenge.



## OUR ROLE

Working for the Danish Government owned company, Femern A/S. we helped design the bidding process to select contractors. The sheer size of the project meant several construction contracts were let, with bidders comprising consortiums from around the world. AG prepared bespoke contracts, including mechanisms to ensure different contractors work collaboratively. The contracts are in English, and clarity of expression was key, given the involvement of parties from many different jurisdictions. All contracts have also been designed to "speak to" each other - using the same provisions for ease of contract management in case future disputes involve several contracts - despite the diverse subject matter ranging from dredging to concrete production to electrical installations.



## MAKING A DIFFERENCE

This project required flexibility and real imagination. After many years of legal groundwork, construction of the tunnel finally commenced in 2020 with completion targeted for 2028. We know a long road (and plenty of legal legwork) lies ahead - but there's definitely light at the end of the tunnel.

# ROLLING STOCK MANUFACTURE AND FINANCE







# PIONEERS IN COMPLEX FINANCE LEASING



## THE PROJECT

In order to reduce the acquisition cost for the financing of rolling stock, the German authorities (Aufgabenträger) in 2012 started to include the possibility to support the acquisition of rolling stock by offering either public guarantees or warranties procuring continued use of the trains upon the termination of the relevant concession.



## OUR ROLE

We were representing Netinera Deutschland GmbH as the first provider of transport services in Germany to accept the offer to financially support the acquisition of the trains. The investment volume exceeded EUR 500 million.



## MAKING A DIFFERENCE

This project is seen as the first project in Germany in which state guarantees were embedded in highly complex lease structures. We entered new legal territory and created a true piece of pioneer work that served and still serves as blue print for many other transactions that followed this project.



# BUILDING A SUSTAINABLE FUTURE IN RAIL



## THE PROJECT

In response to the UK Government's commitment to rid the rail network of diesel only-powered trains by 2040, Hitachi Rail is working to build a more hybrid environment, investing in more sustainable technologies and rolling stock solutions.



## OUR ROLE

We have advised Hitachi Rail on their successful bid for four new-build rolling stock procurements worth over £1bn which involved the supply and maintenance of their innovative bi-mode AT300 trains.

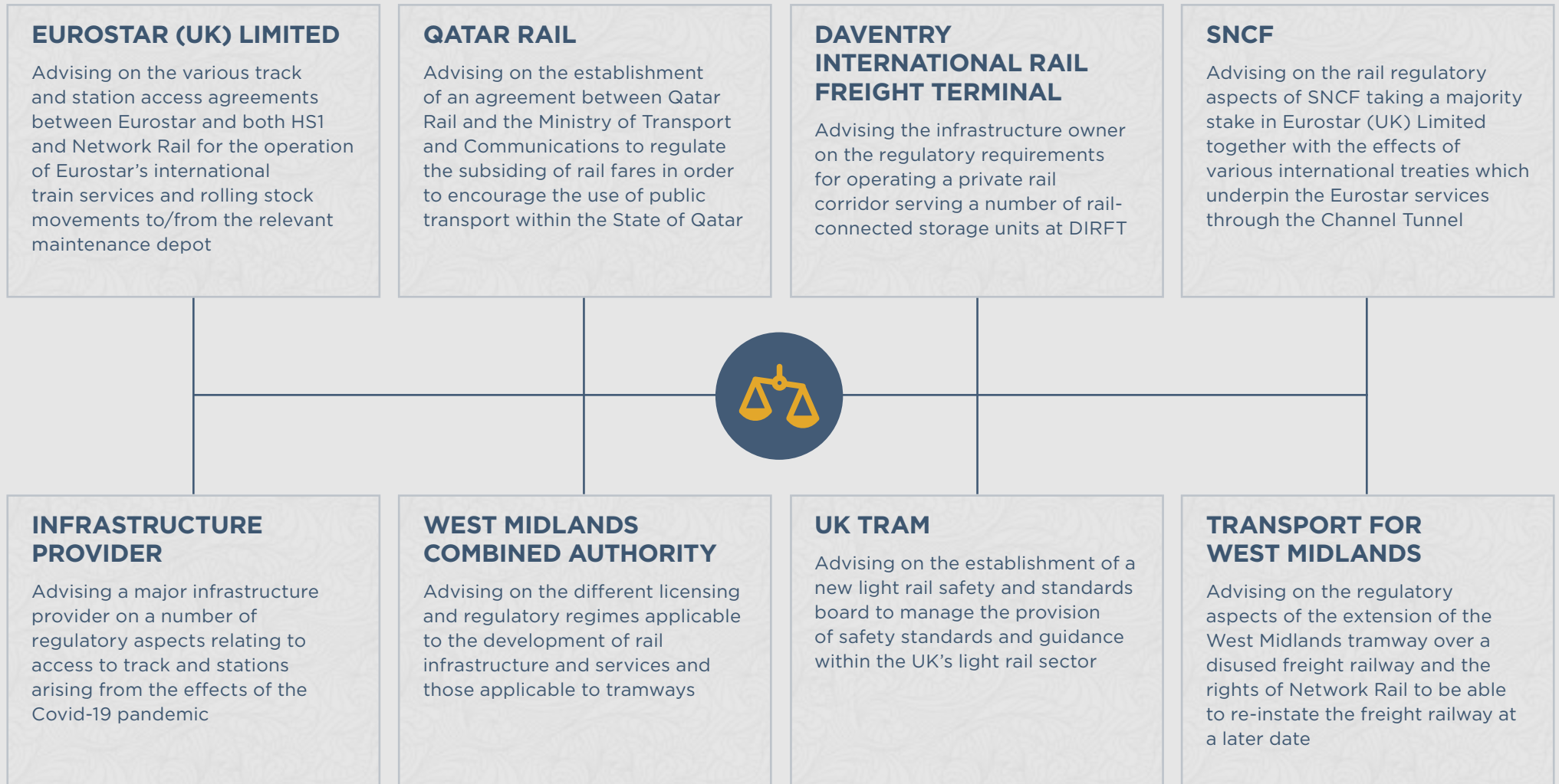


## MAKING A DIFFERENCE

Our broad policy understanding and significant expertise in sustainable transport means we were well placed to advise Hitachi Rail on achieving their procurement objectives. The bi-mode technology used on Hitachi Rail's AT300 models means the trains can run as sustainably as possible. They run on electric power wherever the network is electrified, only using diesel power where there are gaps in electrification infrastructure. The modern diesel engines are significantly lower emission than the previous fleets they produced. Crucially, this is cutting carbon dioxide emissions.

In addition, their regenerative braking capabilities create additional electricity, feeding back power into the overhead wires. This is reducing the amount of electricity that Network Rail needs to draw from power stations. So through working with Hitachi Rail, we were able to support them in achieving their commercial objectives – and the planet is benefiting too.

# RAIL REGULATION





# IMPLEMENTING A NEW REGULATORY REGIME



## THE PROJECT

Following a change in rail regulations as a result of a decision by the European Union, the GB rail industry regulator, the Office of Rail and Road (ORR), required the operation of train services on the privately owned rail corridor at Daventry International Rail Freight Terminal (DIRFT) to be subject to the full track access regulatory regime. This included both track access contracts and connection agreements.



## OUR ROLE

We have advised the infrastructure owner on the form of the access agreements and connection contracts to be offered to the tenants of the rail connected units and on the consultation exercise that is required by the relevant regulations before the final approval of the ORR can be obtained for the access contracts.



## MAKING A DIFFERENCE

Through our strong knowledge of rail regulation we were able to put together a set of standard form agreements which met the regulatory requirements of the ORR while reflecting the way that DIRFT operates and the contractual relationship between the site owner and the various tenants of rail connected facilities. This was particularly important in the case of the access charges, as they needed to tie in with the existing payment mechanism for the maintenance costs of the railway line, obtained through a pre-existing rental agreement. It was important to the client that this rent charge arrangement was not disturbed by the imposition of the new access contract.

# FREIGHT HAULAGE

## DAVENTRY INTERNATIONAL RAIL FREIGHT TERMINAL

Advising the developers of the UK's largest intermodal rail freight logistics centre on the leasing of rail connected freight facilities to enable new low-emission freight flows to be established within the UK

## VTG RAIL UK

Advising on the purchase of a new fleet of environmentally friendly intermodal freight wagons, with bogies specifically designed to provide less stress on the rail tracks

## FREIGHTLINER

Advising on the negotiation of a haulage contract with Mendip Rail for the operation of all of Mendip Rail's rail freight haulage services and the acquisition of the Mendip Rail fleet of class 59 locomotives

## VTG RAIL UK

Advising on multiple leases of wagon fleets to freight operating companies and corporates requiring rail vehicles to move goods and supplies



## ACCESS TO FREIGHT SIDINGS

Advising a freight operator on negotiating an agreement for access rights to sidings at the site of Gascoigne Wood mine in Yorkshire

## EXPORT DEVELOPMENT CORPORATION OF CANADA

Advising on the financing of 250 class 66 and class 67 freight locomotives for English, Welsh and Scottish Railways

## ROTTERDAM RAIL FEEDING B.V.

Advising Rotterdam Rail Feeding on the acquisition of two additional freight locomotives to further develop its short haul freight services in the Netherlands

## ALLCO FINANCE GROUP

Advising on the establishment of a new locomotive leasing company and on its first transaction which was to purchase class 66 freight locomotives and to lease them to Fastline



# ENVIRONMENTALLY FRIENDLY WAGONS



## THE PROJECT

The development of new intermodal wagons which are designed to reduce the amount of wear and tear on the railway tracks, thereby reducing the amount of maintenance required to the railway and allowing for a reduced access charge for operating those wagons on the UK rail network. The project was complicated in that VTG was procuring the bogies from one manufacturer and the body shells from another manufacturer in order for VTG to get the best overall track-friendly wagons. However, this meant that VTG had to take an amount of the integration risk between the two parts of the wagon.



## OUR ROLE

We were required to draft complementary agreements which allowed for a prototype and production wagons to be built and for VTG to take a role managing the integration of the two main components while ensuring that each party took responsibility for meeting their relevant manufacturing standards and delivery requirements as set out in the relevant agreements.



## MAKING A DIFFERENCE

Due to our good industry knowledge and understanding of railway wagons, we were able to advise on the best methods of handling the integration risk in order to minimise the overall project risk to VTG. We also ensured that technical changes to the body shells or bogies brought about by testing of the prototype wagon could be easily reflected in the production runs in order to reduce the lead time between prototype and production wagons. An important step, given that most of the wagons are expected to be pre-let.

# ABOUT AG

## OUR CORE SECTORS & SERVICE LINES



ENERGY &  
UTILITIES



RETAIL &  
CONSUMER



FINANCIAL  
SERVICES



TRANSPORT



HEALTH



REAL ESTATE

## FACTS AND FIGURES

1167

LAWYERS

255

PARTNERS

200+

JURISDICTIONS

in which we have advised clients in the last 3 years

14

OFFICES

6 UK

London, Leeds, Manchester, Edinburgh, Glasgow and Aberdeen

8 OVERSEAS

Hamburg, Paris, Doha, Muscat, Dubai, Singapore, Hong Kong and a strategic alliance with Hashidate in Tokyo

21

NATIONALITIES

Capabilities to speak over 36 languages

45

CSR INITIATIVES

We are active in 45 different Corporate Social Responsibility initiatives focused on 'Unlocking Young Potential'

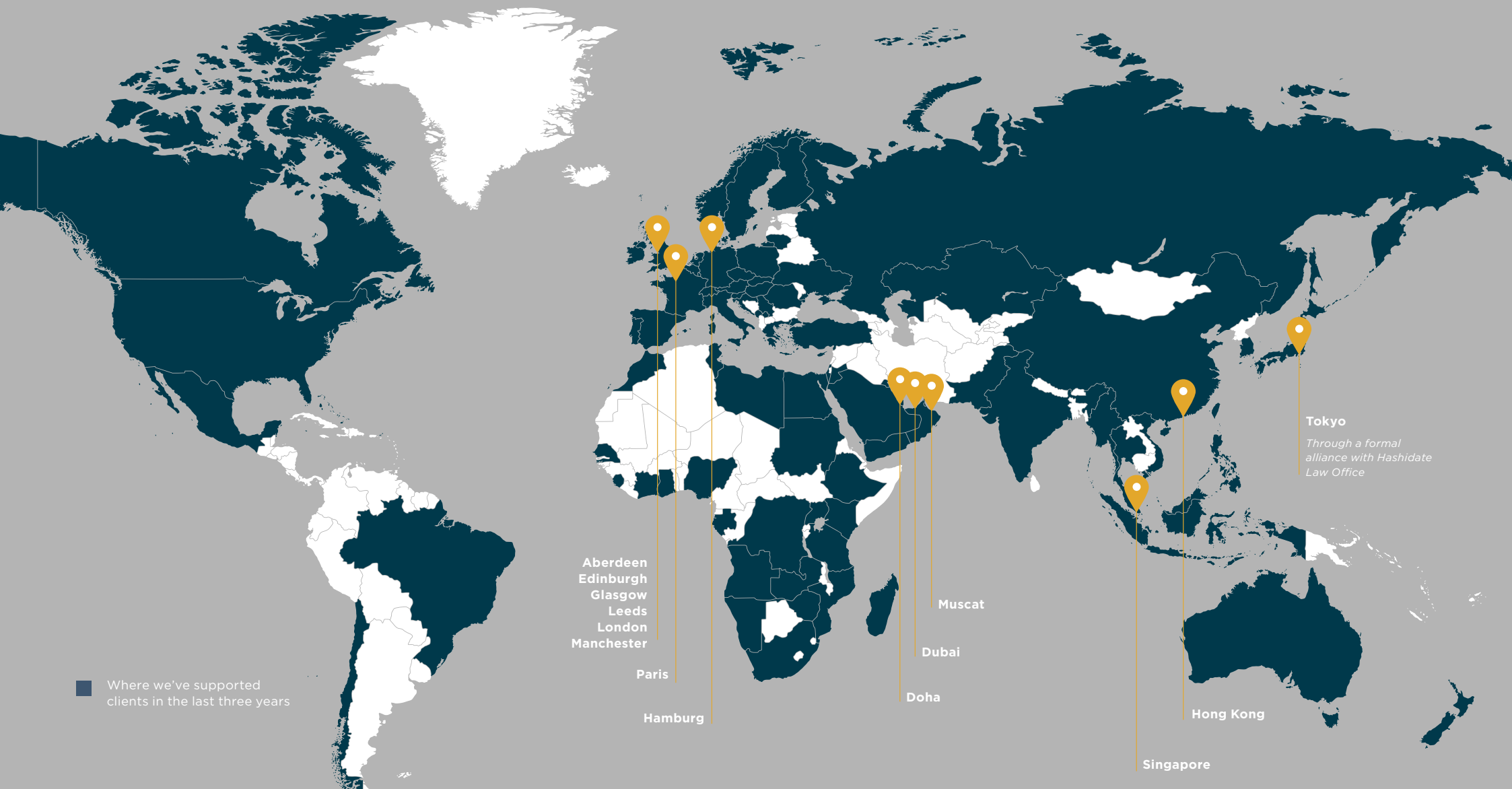
40+

FTSE 100 CLIENTS

Including Diageo, DfT, National Grid, SSE, BP, GSK, Sainsbury's, Barclays and Standard Life

# WE WORK WHERE OUR CLIENTS NEED US TO WORK

Working from 14 offices around the world, we've acted in 94 countries for our clients in the last three years. You can rely on us wherever you need an imaginative legal solution to a pivotal business problem.





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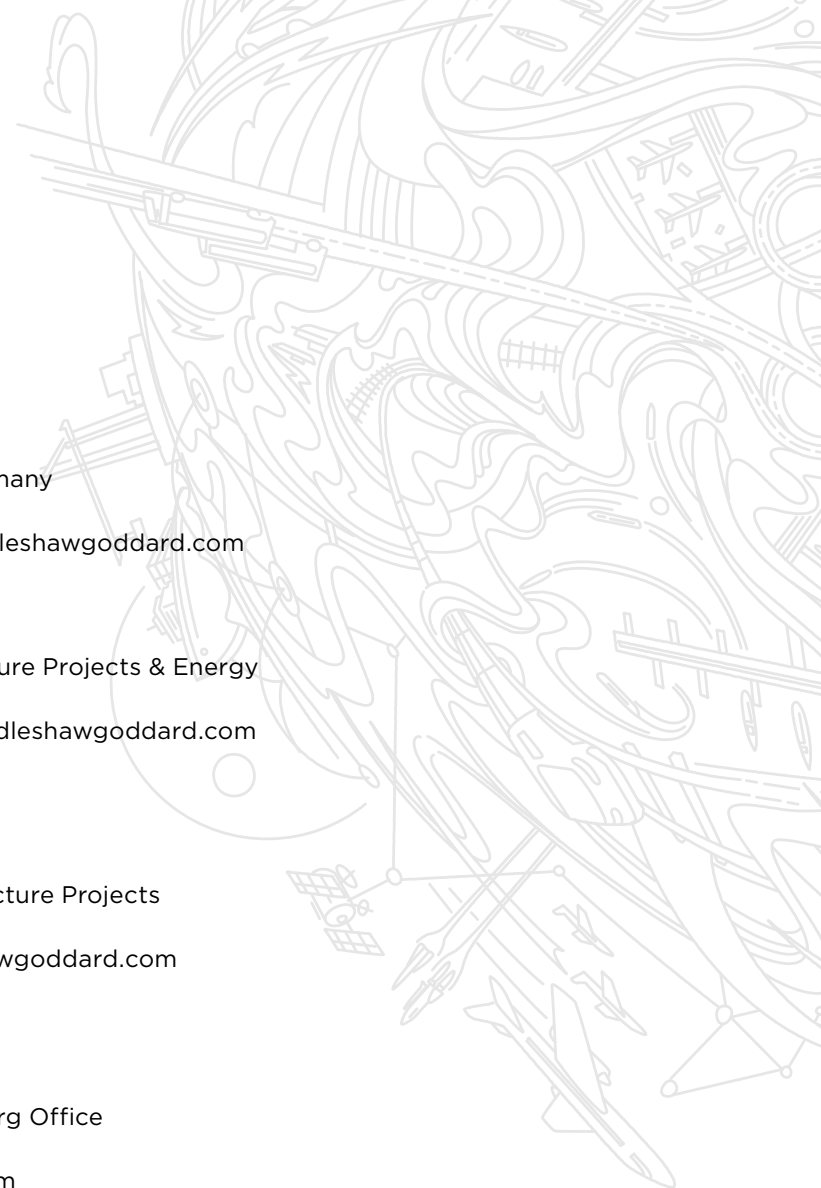
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**PROBLEMS. POSSIBILITIES.  
COMPLEXITY. CLARITY.  
OBSTACLES. OPPORTUNITIES.  
THE DIFFERENCE IS IMAGINATION.**

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