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RAIL | LEASING | PROJECTS

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Traxtion Sheltam (Pty) Ltd

Reg. No. 2004/028215/07
VAT Reg. No. 4180219075

Date: 02/07/2020

Dear Valerie Carelse

Comments to DOT on the Bill for the Economic Regulation of Transport Act, 2020

Traxtion Sheltam wishes to thank you for the opportunity to comment on this Bill.

1. The bill is comprehensive and we look forward to it being enacted as soon as possible.
2. The South African railway network is a great asset for our country and price controls should not include “sunk” capital costs but rather concentrate on improving the utilisation of the lines.
3. Price controls on under-utilised lines should be based on a feasible R/T/Km rates rather than only the cost of operating, maintaining and improving the lines, until such time as they reach a sustainable revenue stream.
4. The socio-economic impact assessment states in paragraph 2.4.2 that “TFR and TPT may not be included at inception ...” of this Act, Traxtion Sheltam does not support this view as open access is urgently required to revitalise rail transport in our country. Private operators will have to obtain additional rolling stock, market their services, recruit and train employees which will take considerable time. Initially, there are a few limited opportunities that could be negotiated immediately in good faith with TFR for slots in their existing operations however there is no dispute mechanism at present to discuss appropriate access conditions or pricing.
5. We hope that the implementation of the Act will lower the barriers to entry for small operators.
6. Traxtion Sheltam is in favour of the Railway Safety Regulator (RSR) staying in its present form, to ensure an equitable safety standard for all operators. We note that the RSR is represented in this project’s steering committee.
7. We did not find any references to improving custom control efficiencies at our transport linkages to SADC countries.
8. Section 47.1 of the bill may have the word “no” left out? (“...no more than nine...”).

Traxtion Sheltam is excited about the possibilities in rail and looks forward to the promulgation of this Act.

Kind Regards

Name Richard Bucksey

Designation: Compliance Manager

