

Dear Sirs

Further to the Commission's Communication 'A sustainable future for transport: Towards an integrated, technology-led and user-friendly system' (COM(2009) 279 (final) of 17 June 2009), I am pleased to be able to provide the following response from Network Rail, the Railway Infrastructure Manager in Great Britain.

Before addressing the specific areas of interest identified in the guidance document for responses, we would like to take this opportunity to generally agree that the challenges identified by the Commission are ones that both Europe as a whole and the UK transport sector share: A safe, integrated, environmentally sustainable and high-tech transport sector are welcome policy objectives for the Commission to be pursuing.

These policies are best delivered in a transport domain that is characterised by liberalisation, equality of costs between modes, and responsiveness to customers needs.

Against this background the policy options surrounding sustainability should become the central agenda around which other policies can be developed; social, economic and environmental.

In environmental terms, this means the principle of internalisation of external costs should be pursued - so long as it is equally applied to all transport modes, thereby levelling both the field of competition, and user comparison, between road and other sectors. Economically, more consideration needs to be given to opportunities to make Europe's transport system more affordable to its passengers by looking for opportunities to increase efficiency and affordability.

The remainder of our comments are grouped below under the section headings in the guide to responding.

(1) Infrastructure.

A key challenge for many of Europe's networks is meeting continued passenger and freight demand through more capacity: a strategic, long-term approach needs to ensure the European transport network can accommodate the changes identified in a sustainable manner as the drivers behind growth in demand for all modes, including rail, continue across Europe. The central challenge will be ensuring that sustainable development is fully understood in terms of transport, and embedded in any future policy making. This encompasses the three pillars of sustainability (social, economic and environmental) and takes into account the issues identified in the Communication of: an aging population, migration, environmental challenges, scarcity of fossil fuels, and urbanisation.

As part of this, for our industry, there is a major challenge for the industry to improve affordability through improved efficiency of the whole-railway system on a whole-life basis. There are three additional overarching issues that have not been drawn out in the Commission's paper which we believe are also important.

In a number of sectors and/or specific locations (including much of the railway in the UK) this will result in capacity constraints and will require significant investment to grow the necessary infrastructure. In Britain, growth of 30% in passenger numbers is anticipated over the next ten years. Therefore, many commuter routes and long distance lines will become full in the longer term and it will not be possible to accommodate further growth. In response, the Commission needs to support the rail industry in looking at long term options to meet this continued demand over the next 30 years, including new lines and additional capacity freed up by new lines.

A second related issue is that the development time for infrastructure projects means that long-term planning to make the necessary investment needs to begin now in order to create the transport capacity for the next 30-40 years. The Communication needs to reflect this lead-in time and address the need for longer-term planning of Europe's transport needs.

A third challenge for any transport sector over this period will be meeting the rising expectations of passengers and freight consigners. While the Commission's communication rightly identifies quality transport as a policy objective, its role as a driver of modal shift is not highlighted as a challenge to achieve policy maker's longer-term environmental and social objectives.

Some of the proposals contained in the Communication are sensible approaches, such as upgrading of existing infrastructure – although the cost benefit analysis of the disruption caused by conducting major engineering work on in-use infrastructure may change the economics behind any investment decisions when compared to the cost of new build. However, the commission's suggestion that EIA and SEA methodologies could be adopted across modes and countries seems overly ambitious in terms of cost and complexity. It does not seem to consider that very often the EIA comparison between modes is necessary to allow the informed decision making that the sustainability agenda requires.

Separation of passengers and freight may be a desirable and beneficial activity in some areas with the capacity and capability to entertain separate networks, but the suggestion has limited beneficial use in highly used, mixed-use infrastructures where separation would displace users without suitable options.

The potential to make transport tickets multi-modal may improve integration between some services (mostly turn-up-and-go options such as bus, tram, metro and train) but it is difficult to see how the integration of ticketing services between air and

other modes could be managed without significant additional costs to accommodate liabilities from the cost arising from air connections.

One specific comment on a policy instrument identified by the Commission (as described in the breakdown of Section 5 in “The proposal”) would be on the TEN-T network: The Development of TEN-T network as described in Para 91, should be less focused on the development of the TEN-T network, but more flexibly applied for any transport projects meeting the general objectives of the European Union’s transport policies. This is an approach partially adopted in the development of the ‘strategic pillar’ and would be welcome if it were applied more widely.

In terms of the reference in Section IV, “Infrastructure: maintenance, development and integration of modal networks”, it is incorrect to say that optimal functioning of the transport system requires full integration and interoperability. It may be true that adopting interoperable standards could be sustainable in the long-term for many elements of Europe’s transport systems: However, there will be areas where the cost of meeting interoperable specifications would reduce the business case for the provision of services. This is recognised through the existence of special cases in TSIs and should be reflected here.

Mandatory application of any centralised ‘smart’ priority rules are likely to have unintended consequences on the ground where flexibility is required to manage complex networks. The effect of inflexible operational rules along a diverse route is therefore likely to be anything other than ‘smart’.

Europe’s lesser-used rural railways will continue to be crucial to many of the communities they serve. Here, rail has the potential to make a significant contribution to the rural economy, its accessibility and the environment, providing access to these sensitive areas and connecting dispersed communities with population centres whilst placing far less impact on them than other transport alternatives. Travel by train also then encourages further access on foot or cycle.

(2) Funding and pricing.

In Section IV, the Communication discussed “Smart prices as traffic signals”; Price signals such as those suggested should only be adopted if they are brought to bare on all transport modes. It should also be considered that there is a relative inelasticity of supply in certain modes such as rail and air, where infrastructure investment is often needed to accommodate large shifts in usage. The result is that pricing signals such as congestion charging for road traffic can be ineffective without the necessary advanced investment in public transport options. Therefore, if such policies are not managed in a balanced way, unintended consequence could include undesired shifts between modes of transport.

In considering policy options to develop the legislative framework, the Commission has noted that the process of market opening, where more advanced “has already proved successful”.

The challenge cannot however be regarded as being completely met at this time. In the rail sector this means the Commission should look to reinforce the principles already adopted but not yet fully embraced by members, such as strong independent regulation (independent of transport ministries). The Commission might also wish to consider further promoting liberalisation of rail markets by extending separation of IMs and RUs accounts to the management structures of Europe’s railways.

While building and developing Europe’s transport sectors should obviously form the basis of any policy development, inadequate reference is made towards managing the negative impacts of such growth such as: congestion, particularly in urban areas; investment in key capacity constraints, and the costs of adapting all modes to meet the increasing expectations of users with changing needs and expectations.

We support the use of cost-benefit analysis for the prioritisation of infrastructure projects, and believe that these should also include environmental costs. While these factors are being increasingly used in EU assessments, the continued linkage in assessments to any pre-ordained corridors such as TEN-T limits the ability to truly prioritise projects on the basis of their contribution to overall environmental and sustainability goals.

(3) Technology.

The policy instruments could include incentives for adoption of new and existing technologies that contribute to increasing the sustainability of transport.

The White Paper should also seek to integrate transport policy with other established EU policy areas such as trade - the policy options proposed do not include the role of transport in supporting the economic growth and global trade of the EU, or climate change – the policy options do not consider a target carbon reduction for transport and schemes such as electrification of railways that could help deliver these goals.

Funding mechanisms could be adapted to support a wider range of transport projects, so long as they contribute to EU policy objectives. Better use of infrastructure’ is a short-medium term approach to meeting the capacity demands. If the

Commission is serious about a paradigm changing modal-shift from domestic air and motorway to rail and sea, then a long-term strategy must include serious levels of investment in new capacity.

(4) Legislative framework.

The EU should be looking to create a long-term framework in which European and national planners and funders can map out, with confidence, their strategies for meeting the changing needs of Europe people and businesses. EU policy development should concentrate on both short-processes such as the roll-out of multi-annual contracts in the rail sector, and co-ordinating long-term frameworks for member state such as sustainability measures, targets for carbon reductions (the UK has set a 80% reduction target for 2050), and capacity growth targets for transport sectors.

The Commission's role should be as defined in European law: to propose legislation to the Parliament and Council, and implement decisions. In doing so, the Commission should steer and develop future European transport policy with input from member states, and it needs to be considerate of the huge variances between member states' transport systems and the impacts that any potential policies could have.

In delivering the first of these responsibilities, the EU should be looking to create a long-term framework in which both European and national planners can map out, with confidence, their strategies for meeting the changing needs of Europe's people and businesses.

Policy development should therefore concentrate on both short-processes such as the roll-out of multi-annual contracts in the rail sector, and co-ordinating long-term frameworks for member states such as sustainability measures, targets for carbon reduction (the UK has set a 80% reduction target for 2050), and capacity growth targets for transport sectors.

The Commission should consider moving away from corridor-specific plans, where there is already a plethora of contradictory corridors. Instead, EU assessments should move towards assessing transport plans against their overall benefit and contribution to strategic goals – regardless of location. This has been partly proposed though the creation of the conceptual pillar concept in TEN-T funding and is a welcome flexibility.

In delivering the second of these responsibilities, the Commission should fulfil its duties by ensuring that the Directives and Regulations of the European Union are enacted. In the case of the rail sector and the First Railway Package, that means proceeding with the infraction proceedings that are now overdue.

While new rules for opening up the market may be beneficial, in many cases the Commission would serve the industry better if it undertook more effective enforcement of existing Directives and Regulations – not least the First Railway Package. It is essential that effective, competent and independent regulation is in place for the railway sector throughout the EU. While the market should be allowed to try and resolve issues wherever possible without regulatory action, the potential for interventions where necessary is important for the industry and its users.

The creation of 'trans-national infrastructure managers' may offer some of the exchange of best practice in certain areas of IM activity – the growing number of infrastructure PPPs in Europe will provide a mechanism to explore this idea. However, until such time as there is true separation of IMs and RUs, any agglomeration of national IMs would likely undermine the respective national governments' confidence in their investment and subsidy decisions (e.g. through multi-annual contracts) and create tension between RUs in new territories and IMs with national RU interests.

(5) Behaviour

In general however, we would agree with the policy areas identified in the Communication:

“Quality transport that is safe and secure”: The detail of the objective places a strong emphasis on the importance of access and what this offers in terms of benefits to society. In addition, the role of improving the quality of transport in order to generate modal shift should be recognised – particularly in encouraging people to leave the perceived comfort of their cars. The requisite investment in public transport modes should be recognised.

“A well maintained and fully integrated objective network”: Better integration of the network will contribute significantly to the sustainability of the network. However, the policy objective could be strengthened to consider the social and economic benefits of better integration and link these back to the challenges posed such as 'migration and internal mobility' and 'urbanisation'. The integration of high-speed rail and international air transport is rightly identified as a priority, but it should be recognised that the modes are competitive rather than complementary at a domestic scale. Furthermore, policy should seek to encourage integration between modes; in the past UK competition law has been used as a barrier to better integration between bus and rail.

“Planning with an eye to transport – improving accessibility”: While the location of storage and distribution centres can have an effect on the transport requirements of firms, open access to such facilities is equally important in the rail sector. The

development in many countries of policies to open such off-network facilities to potential users will provide greater choice and lead to be a reduction in transport needs, and an opening up of the market.

In section IV (Policy objectives) the Commission has also identified many of the attributes included in the objectives do go towards creating a sustainable transport system, however there are various areas missing which are fundamental to its delivery.

Carbon: The Communication does not specifically address an objective that relates to carbon. There should be alignment with existing EU policy initiatives from DG Environment and a suitable objective included.

Energy: Although the role of technology in meeting challenges is discussed, there is little mention in the objectives of energy. Efficient use of energy, including renewable and other alternative sources are all integral to the sustainable future of transport, while the ability to procure from non-carbon sources means that electrification offers immediate and significant benefits to a number of transport and environmental challenges.

Transport and the economy: Increased productivity and competitiveness through improved transport networks can stimulate economic growth. Transport can also aid agglomeration and trigger economic regeneration in areas of need.

Cost reduction: The long-term strategy should include objectives for increasing the affordability of travel for passengers and freight consigners, through seeking efficiencies in Europe's transport infrastructure.

(6) Coordinated action

It is essential that solutions at national, European and local levels are not developed in isolation, resulting in conflicting signals to the transport industry and wider society.

All of the trends and challenges discussed in the Communication ultimately lead to a similar conclusion, that in the future there could be an increase in travel. This is particularly seen to be driven by 'Migration and internal mobility' and 'Urbanisation'. However, policies at other levels – particularly regional and local may be seeking to manage elements of this growth.

While overall growth in transport needs to be accommodated in order to meet economic growth, the overall acceptance of a trend for unconstrained growth needs to be considered against the sustainable costs and benefits of each mode.

Therefore, clarity is needed in the Communication as to the extent to which the policies proposed may have an impact on the wider framework of sustainable targets, and steps that need to be taken to understand these. The Commission needs to study how government policy, public requirements and technological developments interact, in order to seek to manage and control growth in transport.

Sustainable mobility needs to be embedded in the challenges and objectives outlined in the consultation, as does the need to manage carbon demand, and the impact transport policy has on people's life choices – and the degree to which lack of choice may be compounded by those policies.

Finally, no comment has been given to adaptation. A long-term assessment of transport needs must take into account the climate change driven changes to the physical demands placed on infrastructure and the necessary changes to the infrastructure's characteristics.

Generally, the correct trends and challenges have been established, although the challenges of capacity constraints, congestion, and cost have not been adequately addressed.

In terms of 'ageing', 'migration and internal mobility' and 'urbanisation' these challenges will vary greatly between member states. While 'environmental challenges' and 'increasing scarcity of fossil fuels' are challenges which are, generally, common to all. It is essential that policy decisions include a certain level of flexibility to ensure that they are adaptable within different member states.

Furthermore, different sectors will also face the same challenges and have to develop their own policies in response. It is essential that that the EU ensures that there is co-ordinated approach to policy making at the Commission and that policy initiatives (such as the internalisation of external costs, or European Emission Charging regimes) are not applied selectively resulting in a differential effect between transport modes.

(7) The external dimension.

DG Tren should integrate its policy objectives with those of other policy areas, particularly climate change and trade. More specific integration could be achieved with the Carbon Reduction commitments entered into by the EU, and the role Europe's transport sector could play in growing trade

The EU should have an understanding of policy objectives from member states to ensure that outcomes are aligned.

The UK's Department for Transport recently consulted on Delivering a Sustainable Transport System (DaSTS) which included the following goals:

- To support national economic competitiveness and growth, by delivering reliable and efficient transport networks
- To reduce transport's emissions of carbon dioxide and other greenhouse gases, with the desired outcome of tackling climate change
- To contribute to better safety security and health and longer life-expectancy by reducing the risk of death, injury or illness arising from transport and by promoting travel modes that are beneficial to health
- To promote greater equality of opportunity for all citizens, with the desired outcome of achieving a fairer society;
- To improve quality of life for transport users and non-transport users, and to promote a healthy natural environment

The EU policy objectives are in a number of ways similar to those devised by the UK government. We would recommend that they are considered alongside to ensure that they are aligned.

We hope that the above contributions are of value in the Commission's considerations. If we can be of any further assistance, please do not hesitate to contact us.

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