

# **Enterprise and Learning Committee**

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**National Assembly for Wales : Enterprise and Learning Committee**

**Inquiry into the Future Railway Infrastructure in Wales**

**Submission from the Rail Freight Group**

**October 2009**

## **Introduction**

- 1 Rail Freight Group (RFG) is pleased to submit this evidence to the Enterprise and Learning Committee inquiry into the Future Railway Infrastructure in Wales.
- 2 RFG is the representative body for the UK rail freight industry. Our objective is to grow the volume of goods moved by rail freight in a cost effective way. We work to influence Government and rail policy in support of rail freight and to help our members develop their rail freight services.
- 3 RFG has established a good working relationship with the Welsh Assembly Government (WAG) particularly through the Wales Freight Group (WFG).
- 4 Rail freight operates wholly in the private sector and its customers' needs are often linked to global supply chains and distribution strategies which cross international boundaries. RFG has therefore concentrated this submission on those issues that impact on the movement of rail freight to, from and within Wales and on those factors which affect RFG members' decision making.

## **London – South Wales high speed link**

- 5 RFG adopts a neutral stance towards high speed lines, but believes certain criteria must be taken into account during the evaluation and development phases of any such project. Freight services can use such lines during off-peak periods and at night if they are constructed appropriately. High-speed freight services can also be considered.

- 6 Any new line to South Wales would not meet the needs of freight customers unless links to HS1 and HS2 are also provided to enable through running to/from mainland Europe. However, the greatest benefit for freight is likely to come from the capacity freed up on the existing network. Appraisal of the new route must factor this into the analysis.

### **An improved north-south line**

- 7 RFG is aware of several schemes put forward by private and public bodies for the re-opening of various lines in west or mid Wales that would, with some new construction, create new through rail routes between north and south Wales. These are in addition to, or instead of, enhancements to the existing line along the border from Newport to Shrewsbury and Chester.
- 8 Many of these proposals are predicated on providing improved passenger services within Wales and little consideration appears to have been given to freight. In the absence of meaningful information on current and potential freight flows that could use such routes, RFG can only give qualified support to these proposals. Nevertheless, we believe that it is important that any re-openings and new construction provide the capability, in terms of both loading gauge (minimum W10) and axle weight (minimum RA8), and capacity to accommodate freight traffic.
- 9 Because new lines will take several years to construct, it is important that freight capacity on the existing route is not constrained by growth in passenger traffic. The redoubling of the line between Chester and Wrexham will help, but the signalling south to Shrewsbury and on to Newport acts as a significant constraint. Network Rail are making limited improvements, but RFG believes that more needs to be done to ensure the existing freight flows are protected and there is capacity for growth.

### **Other electrification schemes**

- 10 Currently, rail freight makes little use of electric traction, but this would increase if a wider electrified network were created on freight routes, providing the adjacent yards and facilities are also electrified and the power supply is sufficient for freight services. However, rail freight can

gain an immediate benefit from electrification if an enhanced loading gauge capability (W10 or W12) can be created during installation of the overhead wires.

- 11 Of the lines mentioned, there is currently little freight traffic in the Valleys and on the North Wales Mainline. However, provision of W10 gauge capability through to Holyhead as a consequence of electrification in North Wales, would provide new opportunities for rail freight to and from the port, particularly for the movement of containers.
  
- 12 The case for electrification of the Severn Tunnel diversionary route via Gloucester, from the freight perspective, depends on the gauge capability provided through the Tunnel after electrification. RFG understands that this is still under review at the DfT, and while there is a commitment to provide a W10 capable route through to Swansea, structures that preclude such an outcome will be reviewed on a case by case basis.
  
- 13 If W10 clearance cannot be provided through the Tunnel, it will be essential for the route via Gloucester to be electrified, double tracked and upgraded to W10/RA8 throughout, if the growth of rail freight in South Wales is not to be constrained.
  
- 14 However, if W10 capability can be provided through the Tunnel it is unlikely a viable case for electrification of the Gloucester route can be developed, based on its current limited use as a diversionary route. What is important, though, is for the capability of this route to be enhanced now, to ensure sufficient capacity for passenger and freight flows is available during the electrification work in the Severn Tunnel.

### **Upgrades beyond 2019**

- 15 Based on joint forecasts produced by the FTA and RFG in 2007, there will be continuing significant growth in rail freight throughout the period to 2030. Although no major pinch points in Wales were identified by Network Rail during development of their Freight Route Utilisation Strategy (RUS) and Wales RUS, parallel growth in passenger traffic will inevitably lead to congestion. As a result, it is essential that a programme of enhancing the network continues beyond 2019. Speed upgrades are

welcome but capacity improvements, including loading gauge and axle-weight capability enhancements, are key to providing the right conditions for additional freight traffic on rail. Ensuring the network is open for freight at night and during weekends will also increase capacity.

### **The Severn Tunnel**

16 RFG is not in a position to comment on the condition of the Tunnel. The only point we would make is that in the event of a new crossing being required all the new infrastructure must be engineered to provide the maximum requirements in terms of loading gauge and axle load and have the capacity to accommodate all existing and potential freight flows.

### **Light rail**

17 RFG also adopts a neutral stance towards new construction of light rail networks. However, there would be concern if the plans include the conversion of parts of the existing heavy rail network, as this could constrain or even prevent rail freight flows. Any schemes must therefore take account of the existing and likely future needs of rail freight.

### **New stations and new/re-opened lines**

18 RFG welcomes any proposals that increase the size and scope of the rail network, but would make the point that any new or re-opened line should be engineered so as not to preclude potential freight flows that could also use the route. Similarly, while all schemes that increase the overall use of the rail network bring clear benefits, there is always the danger that increased passenger traffic, unless accompanied by enhanced overall capacity, can result in existing freight flows being squeezed and the potential for any new or additional freight traffic being eliminated.

### **Increased use of rail for freight**

19 RFG believes that a competitive, commercially led market place works most effectively for rail freight and therefore does not favour models where Governments specify the precise framework for developments.

Freight movements are unlikely to respond to regional and local development plans which are not based around national and international distribution patterns and on appropriate cost criteria. Companies will only switch to rail where it fits, operationally and financially, with their logistics and distribution networks and plans.

20 Wales took a significant step towards creating the right environment for increased use of rail with the publication in May 2008 of the Wales Freight Strategy. It is now important that the “Steps Towards Delivery” set out in the Strategy are implemented and in that context the setting up of modal sub-groups to support the work of the Wales Freight Group (WFG) is a welcome first step with which RFG is delighted to be fully involved.

21 A key step will be to develop a greater understanding of the patterns of freight movement to, from and within Wales. Such base data will also support the development by WAG and the Regional Transport Consortia (RTC) of their Transport Policies.

22 As most of the large generators or receivers of freight in Wales, such as the ports, the power stations and the steel Industry are already rail connected, growth in rail is going to come through a multi-modal approach. This will require the creation of Terminals in key locations where goods and/or containers can be interchanged between road, rail and water. These Terminals will need to be fully accessible by rail which means appropriate gauge clearance and axle-loading capability on the connecting network. Their development will also be facilitated by appropriate land use regimes and the availability of suitable grants.

### **The Role of WAG and the Regional Transport Consortia**

23 RFG notes that under current arrangements, WAG exercises direct control over rail and trunk road matters in Wales, while the RTCs and their constituent Local Authorities (LA) are responsible for more local issues. RFG is neutral on this allocation as long as the roles of all parties are clearly understood and the policies are dovetailed. For instance, new rail freight Terminals would seem to come within the remit of the RTCs and

LAs but any consequential changes to the rail or trunk road networks to connect the Terminal are within the remit of WAG.

24 RFG awaits with interest the publication of the four Regional Transport Plans (RTPs) that have now been submitted to WAG, and the announcement of the funds available to support the programmes. RFG have been associated with the development of two of the four RTPs and is currently seeking greater involvement with the other two consortia.

25 It is unfortunate that the draft Wales National Transport Plan (NTP) lacks a coherent strategy towards freight movement either by rail or by road. In view of WAG's role in respect of the rail network, we would have expected a much more focussed strategy to be developed. Indeed, there is a danger that many of the proposals in respect of rail passenger traffic could have a detrimental effect on both existing and potential rail freight movements. RFG believes Governments should develop and set out policies, underpinned by consistent and clear frameworks and incentives, to deliver outcomes that are deemed to be in the national interest.

### **Additional Powers and Funding**

26 In the same way there needs to be close alignment of WAG and RTC policies, the key issue is not necessarily who controls the funding but that strategies and decisions are aligned. Most rail freight flows in Wales are, and will continue to be, cross border with England. Investment decisions must therefore reflect this reality. It would not make sense if a new traffic flow could not be developed because the DfT was unwilling to support any upgrades required on the English side even though WAG would support enhancements up to the Border.

### **Conclusions**

27 The environmental benefits associated with the modal switch of freight traffic from road to rail are well documented. RFG believes the primary policy objective of WAG over the next 20–30 years should be to put in place the policies and infrastructure that facilitate such modal switch. This will be by a combination of direct involvement and investment and of

partnership with others including the UK Government, the RTCs and LAs, freight generators and receivers and the wider logistics and freight industries.