

Supplementary memorandum from Transport-Watch (RWP 33C)

Interdependency of Transport Watch responses to the House of Commons Transport Committee given on 5 March 2008.

Questions relating to the adequacy of growth forecast; the growth forecast is a logical outcome of assumptions and preconditions. It will change if the cost to the passenger changes. In the white paper, 'Delivering A Sustainable Railway' HMG proposes to keep an RPI plus 1% formula for fares. Any other plan for fares would imply a different forecast.

HMG justifies the cost to public funds of the RPI plus 1% formula by reference to benefits and passenger perception of value for money. Benefits to all taxpayers are dependant on the assumption that rail is a relatively green mode. The White Paper notes that 50% of taxpayers do not use the railway and these taxpayers will receive little or no other benefit from the railway.

Within the 30-year period, the Department of Transport's Low Carbon Transport Innovation Strategy will greatly improve the greenhouse emissions of road transport but no similar improvement is expected from rail. Until current emissions from coal burning electrical generation are eliminated, greenhouse gas emissions from electric traction are worse than from diesel traction. By the time current emissions from coal burning electrical generation are eliminated, road traction is likely to use clean electricity as readily as rail. The references indicate that the white paper errs in stating that rail offers a lower impact on climate change than road (and possibly air) in the strategy period. The assumption that HMG can justifiably ask taxpayers to subsidise rail costs in the range 35% or 25% is thus unsound. Without this subsidy fares must rise and demand reduce unless costs can be reduced massively below the present very demanding target.

Current subsidy to rail is indicated as 40% to 50%; it was 51% in 2005/2006. The white paper states that this cost to public funds is unsustainable (paragraph 12.16). It seeks a reduction to historic levels (12.20). Historic costs to public funds are not explicitly defined but the white paper refers in 12.16 to 'a pattern of 25% to 35%' in the 1990's and to a 2003 target for cost reduction of 31% by 2009.

The white paper contains no material from which the mechanics of the demand forecast can be assessed but the assumptions and pre-conditions are in some cases wrong. In other cases the assumptions are risky. Overall these errors and risks make the forecast meaningless.

Questions relating to the adequacy of plans for increased capacity; the increased capacity proposed is intended to reduce overcrowding, provide additional passenger space to accommodate growth in individual stature as well as provide for growth in demand. Satisfying pressures on comfort and space has potential to require very large increases in capacity. There is insufficient analysis in the White Paper to establish that improving comfort and space is compatible with any of the new capacity being available to

accommodate increased demand. If improvements in comfort and space are not achieved the value for money of fares is at risk and thus the revenue from them is at risk. This issue is particularly important for the unregulated fares that account for over 50% revenue.

Is the White Paper a Strategy for Rail? As discussed above it is not joined up with other government strategy. In some respects it is incompatible with the impact of other strategies. In particular successful implementation of the Department of Transport's Low Carbon Transport Innovation Strategy, is much more important to managing climate change. Its implementation is incompatible with any movement of demand from road to rail being beneficial.

Key assumptions and preconditions in the White paper are wrong or very risky.

The White Paper is not a strategy but it is an unsoundly based High Level Output Specification.

Transport Watch 6 march 2008-03-06

NOTES

- 1 Low Carbon Transport Innovation Strategy published by Department for Transport
- 2 Traction Energy Metrics, published by Rail Safety and Standards Board. (for impact of 2022 and road fleet emissions and caveats and assumptions incompatible with the quotation of this report in Section 11 of the white paper 'Delivering A Sustainable Railway')
- 3 Aviation and the Global Atmosphere published by the Intergovernmental Panel on Climate Change. (for description of the application of Radiative Forcing Index to emissions of Carbon Dioxide below 9 km altitude including ground level compared to Emissions above 9km)
- 4 "Rail Industry admits that it is often greener for families to travel by car" published by the Times Online 13 July 2007 (for a description of the typical press understanding of the message of Traction Energy Metrics for today.)
- 5 Is Transport Orthodoxy Evidence Based? Focus the journal of the Chartered Institute of Transport Volume 9 no 10 (An analysis of the relative impacts of terrestrial transport modes on Climate Change for the transport profession.)
- 6 Why is accurate comparison of the effect of transfer of demand between transport modes on global warming a matter for transport practitioners? How does the comparative impact of transport modes on global warming matter? (Forthcoming publication following up ref 5 and extending the analysis to air)
- 7 Further, we see no justification for subsidising rail itself at all. That is because those from households in the top quintile of income travel circa 5 times as far annually by rail as do those from either of the bottom two quintiles. In comparison the ratio for cars is 2.7. The implication is that, if the Government wishes to benefit the poor, it should subsidise cars rather than trains. Better still the subsidy,

if any, should be paid to the poor directly leaving them to decide how to spend the money.