






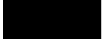




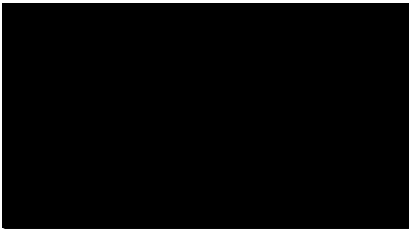
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18 March 2016

A new approach to rail passenger services in London and the South East.

1. This is the response by  to the consultation document entitled "A new approach to rail passenger service in London and the South East" issued by the Department for Transport ("DfT") and Transport for London ("TfL").
 2.  is the largest rail freight operator in the UK and is a wholly owned subsidiary of  the second largest mobility and logistics company in the world.  operates over 5000 trains per month in the UK conveying everything from cereals to coal, consumer products to biomass and petroleum to steel.  employs over 3300 people in the UK providing freight, infrastructure, rail support and charter passenger services within the UK and freight services to and from continental Europe via the Channel Tunnel.
 3.  in common with other rail freight operators, is a wholly private sector activity receiving no material direct government support. In a heavily-capital intensive industry  owns and operates its own assets, including depots and rolling stock, and has invested heavily in new locomotives, wagons and facilities since UK privatization.
 4.  welcomes the opportunity to respond to this important consultation. Whilst the questions asked directly relate to the provision of passenger services, the mixed-traffic nature of most of London's railways and the key role played by rail freight in supporting the economy of London and the South East means that as the provision of passenger services within London develops, so must the relationship with other network users in order to make the best use of scarce network capacity.
 5. Rail freight is strategically important for GB PLC and provides an essential service to industry. The rail freight industry delivers £1.6 bn per annum in benefits to the UK
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economy and conveys goods worth over £30bn per annum. Examples of this strategic importance include:

- a. Over 40% of London's raw materials (such as aggregates and cement) are delivered by rail, underpinning housing and other building development. Use of construction materials in London rose by c5% between 2014 and 2015, and the level of forecast growth suggests this trend will continue.
 - b. Over 25% of all the deep sea containers that arrive or depart from the major UK deep sea ports are transported by rail. Owing to the location of two of the three largest deep-sea container ports (Felixstowe and London Gateway), access across London to service these locations is critical.
 - c. From almost zero, rail has gained 10% market share of export automotive traffic in the last six years. [REDACTED] is investing in a multi-million pound automotive hub in Barking, at the junction between the Network Rail and High Speed One networks, to move both import and export finished vehicles by rail.
6. Rail freight has a vital role to play in tackling transport-related carbon reduction, helping the UK Government to meet its climate change commitments and underpinning a greener economy. Transport currently contributes 21% of carbon emissions of which 7% originate from lorries. Given that rail freight produces 76% less carbon dioxide than road freight, it is clear that every tonne of cargo carried by rail rather than road makes a positive contribution towards reaching the targets.

Rail Freight in London

7. Rail freight activity in London and the immediate south-east falls into two distinct categories;
- a. Traffic originating in, or destined for, London and therefore directly underpinning its economy;
 - b. Freight transiting London as part of its journey.
8. As already stated, the role of rail in supporting the construction sector is critical to London's economy and this is a key growth area for rail freight. As part of this [REDACTED] is developing new facilities at locations such as Bow and Cricklewood. One often overlooked feature of many of the receiving locations for this sector are planning restrictions relating to opening and operational hours – these tend to result in the need to move the necessary freight trains during the day, making co-ordination with (often intense) passenger services intricate and essential.
9. As well as construction materials, commodities moved include steel, retail goods, containers and automotive parts. One feature of the London area is the relative paucity of general rail freight facilities, which in part reflects the high cost of land but also issues of access for HGVs to rail freight depots.

10. Transit freight includes bulk commodities such as aggregates and steel, but is more characterised by the movement of containers to and from ports and by international rail freight to and from the Channel Tunnel. The radial nature of the UK's railways, and the lack of suitable alternatives to avoid London, makes this inevitable.

The pressures of transit freight on the North London (NLL) and Gospel Oak – Barking (GOB) lines are well known. The strategy to focus growth from ports such as Felixstowe via the cross-country route via Peterborough and Nuneaton is now a long term strategy owing to the deferral of key elements of the programme to CP6 and beyond. This means that there is likely to be increased freight pressure on further use of the NLL and GOB routes, and all parties will have to work closely together to maximize the use of network capacity for all users.

Development of “turn up and go” services on some south London routes will have to factor in the needs of freight – international rail freight already faces serious scheduling pressures in respect of the Channel Tunnel and HS1, and the opportunity to flex paths and timings might be limited. Again, all parties will have to work closely together to maximize the use of network capacity for all users.

11. [REDACTED] owns and operates a number of substantial facilities in London, especially in the Willesden/Wembley and Acton areas.

The future

12. Future freight growth in London and the South East will be focused in three main areas:

- a. Continuing support for the construction industry, as already indicated;
- b. Support for the retail sector. This will take two forms;
 - i. The movement of goods in containers and swapbodies. Central to rail freight growth is the development of strategic rail freight interchanges, especially in London and the south east. Facilities are planned at Radlett, near Bexley and at Slough.

What is often not clearly understood is that many goods destined for London are moved by rail to warehouses in the Midlands only to be moved onward (or sometimes back) to London by HGV.

- ii. The potential development of what is termed “city (or urban) logistics” featuring pre-sorted smaller consignments on (e.g.) roll cages into central interchanges for transfer to environmentally friendly vehicles for last-mile delivery to retail outlets.
- c. Support for “mega-projects” in the form of construction logistics – for example Cross rail, HS2 and Cross rail 2.

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Service standards

13. Rail freight has changed, and continues to change in line with customer requirements. It is not always clearly understood that the quality and services standards expected as normal in the rail freight sector are often exacting. This makes the planning and operation of freight train as sensitive as passenger trains.

Whilst there is sometimes flex in when freight trains can be scheduled, it is important that all specifiers and network users understand that the railway cannot simply dictate to freight customers when their services will be scheduled, and that a process of discussion and engagement is as necessary for freight as for passenger.

14. Rail freight's use of rail capacity is different to passenger and is capable of misinterpretation as being less efficient. Freight trains only operate in response to specific demand, whereas passenger trains are operated in anticipation of demand. If a freight customer's needs are such that they do not require a train – it is not operated. However the path is needed for the occasions they do.

Freight operating companies manage this element of their relationship with customers closely and release unused paths back to Network Rail whenever possible. Over 2000 such paths have been released – either to Strategic Capacity or White Space – over the past three years.

15. Freight operational performance is high; Network Rail regularly exceeds its regulatory freight performance target of 92.5% of freight trains reaching destination within 15 minutes of schedule and the all-industry "Arrivals to Fifteen" metric is at an all-time high in terms of a moving annual average.

Partnership Approach

16. [REDACTED] notes the proposed partnership approach to oversee the specification of passenger services and to provide strategic direction. We would suggest that a similar partnership approach is needed to include the aspirations/requirements of all users/customers – including freight customers and operators – to ensure that:
 - a. The needs and requirements of freight customers are not inadvertently disregarded or underestimated in the development of new passenger strategies or services;
 - b. The best use is made of scarce network capacity;
 - c. Enhancements are developed/specified with all users in mind;
 - d. All concerned are informed about, and support, freight terminal proposals and developments;
 - e. Any urban logistics solutions involving passenger stations can be delivered;
 - f. Any unintended consequences can be readily identified and resolved.

17. [REDACTED] would support TfL, and the proposed partnership, having a duty to promote the use of the London rail network for freight.

System Operator

18. [REDACTED] assumes that Network Rail would continue to manage the entire affected network and to timetable all trains.

19. The proposed changes to passenger service specification and management, together with increased route devolution within Network Rail, amplify the need for a strong System Operator function within Network Rail to ensure co-ordination of access planning, timetabling, disruptive access etc.

It would be a bad outcome for freight if the proposed changes increased cross-boundary issues in a section of the UK rail network that is already complicated and intricate.

If you have any queries or would like clarification or amplification of any of these points, please contact me.

Yours sincerely,

[REDACTED]

