

Delivering improved transport links with Europe

A report commissioned by the SRA has confirmed that Central Railway's proposals are sound. The project, which will remove three million lorries a year from UK roads, enjoys strong regional support. The company is now in dialogue with the Government to secure agreement that a Hybrid Bill is the appropriate mechanism for approving the project.

Favourable report by SRA consultants

Central Railway's proposals have been analysed in detail by Oscar Faber and Mouchel, consultants appointed by the SRA following a request from the Government earlier this year to commission an independent report into the project. The consultants had full access to the detailed work the company and its technical, engineering and marketing advisers have carried out on all aspects of the proposals and were therefore able to make a fully informed, independent assessment.

Their report, which was received by the SRA last May, concluded that Central Railway could make a positive contribution to government objectives and that the proposals contain no serious technical flaws. It is unfortunate that the SRA has not released this report as it covers a lot of detailed technical and engineering issues.

A deliverable project

Central Railway is run in a way which seeks to avoid the pitfalls often encountered by major UK transport projects - cost overruns, using the government as a bank of last resort, interests of contractors conflicting with those of shareholders, etc:

- the company that owns the tracks will operate the service
- it is entirely funded by the private sector
- if public money were available, the provisions of the Bill would mean that the company would not legally be able to accept it
- the project is being managed, on principles which differ significantly from usual UK practices, by a large US firm used to delivering huge transport projects on time and within budget

- importantly and unlike other major projects the company is not owned by contractors, thereby ensuring it is run with the priorities of the eventual operating company in mind.

This careful approach is why the company's key partners are committed to the project - here is something which is more than a good idea, it is actually deliverable. While Central Railway, the company promoting the project, is deliberately lean, it works closely with a team of external advisers chosen for their acknowledged expertise in a specific area and their ability to think in an innovative way.

SNCF, the French train operating company, has assessed Central Railway's proposals (engineering, commercial and financial), concluded that they are sound and is working with the company to progress the project. **SYSTRA**, their engineering subsidiary, has assessed route and terminal options in France. Thierry Mignauw, a senior executive of the SNCF and Special Adviser to SNCF President Louis Gallois, joined Central Railway's board last year. Mr Mignauw was instrumental in developing the French TGV high-speed network in France.

Parsons, one of the largest US infrastructure project managers, has worked on every detail of the technical, engineering and cost aspects of the project. It has committed significant resources - people and money - to ensure that the project is robust and that the proposals are developed to a level of detail that satisfies the most critical scrutiny.

Slaughter & May, the company's legal advisers and one of England's best respected legal firms, has worked extensively on the legal aspects of creating a new railway, including the drawing up of a Hybrid Bill.

In all, between £10 and £20 million risk capital and resources has been spent on the project by the company and its advisers.

Improved transport links vital for regional regeneration

Central Railway will generate £500 million a year in direct economic benefits, based on the SRA's methods for estimating value for money. In addition, between £250 and £400 million a year will be saved in transport costs. This is a project that will make a significant contribution to the UK economy as a whole.

While people in the south of the UK are likely to welcome the reduction in HGVs using motorways - especially the M1, M40, M4, and M20 - and the improved air quality this will result in, those in the north welcome the improved transport links the project will provide. Notably, the Regional Development Agencies in the North, Northwest and Midlands are all supportive of the project.

Clearly, for regeneration to succeed, the traditional manufacturing areas of the North and the Midlands must find new ways of transporting goods to market. Current options are too slow and inefficient for them to remain competitive in an environment where consumers across

Europe are unwilling to wait for goods and businesses are unwilling to carry stock. If no solution is found, then companies will have no option other than to relocate to areas of the Continent which offer good transport links.

Central Railway will radically improve the competitiveness of these regions in transport terms. It will enable businesses to get goods to market faster, more efficiently and more cheaply than by road. It will bring the Northwest, for example, to within eight hours of northern France, a main European distribution centre. Central Railway delivers a critical competitive advantage which would otherwise be unavailable.

On the Continent, new lines are already being planned to carry lorries-on-trains services in France, The Netherlands, Switzerland, Italy and Spain. By linking these to Central Railway, businesses in the UK will be able to exploit the economic benefits of better transport links that these services will bring to the rest of Europe.

Three million lorries removed from UK roads each year

Central Railway will remove over three million lorries a year from UK roads, according to traffic forecasts conducted by Roland Berger, the company's traffic and revenue consultants. This is the equivalent of approximately 80% of the Government's targets for transferring freight from road to rail over the next ten years.

Central Railway's target market - lorries travelling between UK and Continental Europe via French, Belgian and Dutch ports - is the largest flow of road freight in Britain. Last year there were five million lorries crossings and, with the volume doubling every decade, there will be nine to ten million by 2010. Around 75% of lorries still currently cross by ferry.

The demand for Central Railway's international lorries-on-trains service was confirmed by Roland Berger this summer in their 2001 revenue update. The headline

findings are:

- Central Railway's target market is in fact growing by 6 - 7% a year, not by 5% as was previously the case
- the regional origin/destination patterns of the lorries match Central Railway's proposed route and pricing policy
- about 60% of hauliers would make cost savings and gain other benefits such as reliability and reduced journey times by using the service.

Roland Berger's report indicates that approximately a third of the cross-Channel market would switch to Central Railway.

Less than 5% of UK-Continental freight is transported by conventional rail services. Interestingly, Eurotunnel's Shuttle service for lorries now has nearly 25% market share, proving that lorries-on-train services can be highly successful.

While every effort has been made to ensure the accuracy of the information contained in this document, no responsibility can be taken for errors or omissions.

For further information please write to us at the address below, email info@central-railway.co.uk or phone Robert Raffety, Development Director on 020 7930 6655. Further information about Central Railway is available on our website, www.central-railway.co.uk, which we have recently considerably revised and updated to reflect progress made, including updated maps of the proposed route.