

Project detail

Central Railway will be developed as a modern, purpose-built freight railway, designed to meet the demanding service and other requirements of the rapidly growing mainland European freight market.

Central Railway's core service will be to carry unaccompanied lorry trailers (ie without tractors or drivers) on flat wagons between rail terminals located at key motorway junctions in the UK (near Manchester, Sheffield, Rugby and Heathrow) and terminals in Northern France. A facility at Liverpool Docks will be provided for Irish lorry traffic, maritime containers and other related businesses.

One or more terminals will be located in Northern France. For planning purposes, Central Railway has assumed that its main French terminal would be located at a road/rail junction, close to the A1/A26 motorway junction approximately 170 km north of Paris. For more details see our Route and Technical Specification briefing note. The proposed routing will be the subject of more detailed engineering and environmental studies as well as extensive consultations with the relevant local and regional authorities and others in the UK and France.

The company has already had consultations with local authorities, regional chambers, statutory environmental organisations and other consultees and intends to consult further in preparation for the submission of a hybrid Bill to Parliament in the UK and the initiation of formal planning approval in France in late 2003.

On the French side, the Company is working with SYSTRA, the engineering subsidiary of SNCF and RFF (the national rail infrastructure company) to identify alternative routes and terminal sites which could save costs and/or add revenue to the project.

These alternatives include a more direct route to a terminal on the A1 east of Amiens, closer to Paris and other key parts of the French

motorway and railway network. However, pending further discussions with the French authorities, the company is basing its case on the A1/A26 junction option. The company expects that any other routing in France which might be adopted could improve its overall business and financial cases. Ultimately, the company envisages that its route will be part of a European lorries-on-trains network.

Services

Central Railway's services will operate as direct point-to-point shuttles with no stops at intermediate terminals. It will have a 'stock to stock' operation, with several hours worth of buffer stock of HGV trailers typically held in the terminal at each end of the operation. This approach provides for high load factors levelled across the working day.

Average speeds are expected to be approximately 100kph (60mph). Speeds of up to 130kph (80mph) will be achievable in places. These include Eurotunnel and its approaches where a 135kph design standard has been adopted in order to use a standard Eurotunnel path and to maximise Eurotunnel capacity.

Average initial frequencies of approximately one hour between trains are planned at the four principal UK terminals. This will allow for a range of service and pricing options, including a premium 'turn up and go' service. As with similar services offered by the major American and Canadian railways, Central Railway's core lorry-on-train services will offer its customers extremely competitive pricing combined with a very high degree of reliability, frequency and speed.

Research carried out on behalf of the company indicates that hauliers using Central Railway for

part of their journeys would achieve a significant overall journey saving over the lowest cost alternative road/ferry or road/Euroshuttle routing on approximately 55% of the 420 UK-Continental European origin and destination pairs modelled. Central Railway's average tariffs are 16% below the cost of the lowest cost road / ferry or road / Euroshuttle alternative for the Central Railway portion of the journey. On the overall journey (including HGV / road costs on the connecting journey to and from the nearest Central Railway terminal on either end of the journey), the average saving would be 8%. Given the cost sensitive, commodity nature of the UK-mainland Europe road freight business, even a price differential of 1% will sway hauliers' choice of mode, provided that minimum service reliabilities and frequencies can be assured.

Historically, railways have not been a significant participant in this market due to their inability to come anywhere close to meeting 'just-in-time' manufacturers' and other customers' requirement for 95% on time delivery performance within pre-agreed windows. This has been confirmed by market research commissioned by the company and SNCF which showed price, followed by reliability, frequency and speed (in that order), to be the dominant concerns of the hauliers, logistics firms, shippers and other key prospective customers of Central Railway.

The company expects that future trends in the road costs and reliability should further enhance its ability to offer a better, faster, more reliable and above all, less expensive service than its competitors.

Reliability issues and motorway congestion

As road congestion worsens and consequently the reliability of road/ferry or road/Euroshuttle services deteriorates, we expect that reliability (and to a lesser extent speed) will become increasingly important to Central Railway's customers. In particular, we expect that hauliers, shippers, manufacturers and others who rely on 'just-in-time' delivery and warehousing systems will become increasingly concerned about the impact congestion on the UK motorways is having on service reliability, cost and speed.

From 1998 - 2002, congestion on the UK motorway system as a whole has grown by approximately 78% according to recent DfT / Trafficmaster statistics. On the relevant sections of the M6 in the Northwest congestion has increased by 164%. Congestion has reportedly increased on the M6 in the West and East Midlands by 43% and 143%, respectively; and by 67% on sections of the M25. The DfT / Trafficmaster define congestion as the amount of time spent in traffic travelling at less than 30mph on motorways and other roads where the official speed limit is 70mph. As a result, HGVs on the motorways relevant for Central Railway have experienced on average a three-fold increase in time spent in traffic jams over the last four years. Unless there is either a massive expansion of motorways or a sustained recession, congestion is likely to worsen.

With the introduction of HGV distance-based road pricing in 2005/6 and the possible introduction of distance-based road pricing for cars around 2010-2015, it is possible that current congestion growth rates may slow, but is difficult to see how growth will be halted - much less reversed.

In the past, hauliers were able to deal with the reliability and associated cost issues by putting enough contingency into their schedules to ensure they met their customers' requirement of 95% on-time reliability. A similar approach was taken with respect to reliability of ferries due to poor weather. Where feasible, the hauliers passed the extra cost on to their customers. Where this was not feasible for competitive or other reasons, hauliers absorbed congestion costs in their margins. Central Railway expects that this will be an increasingly less viable option as congestion levels get worse, HGV drivers' working time and safety restrictions are more strictly enforced and distance based road pricing is introduced.

For hauliers, logistics firms, shippers and manufacturers alike, a reliable, low cost rail alternative is urgently needed. With road hauliers' margins already depressed to 2-4%, it is difficult to see how they could be cut much further without destroying the industry.

With the benefit of its own purpose-built infrastructure, few interfaces with passenger services and a simple point-to-point service (without the need for complex marshalling and warehousing facilities), Central Railway should be able to consistently outperform road/ferry or road/Euroshuttle alternatives in terms of reliability as well as cost.

Indeed, despite operating in a much more complex environment, EWS managed to achieve up to 95% reliability on its Consignia/Royal Mail contract. The North American railways, with the benefits of facilities and operations similar to those planned by Central Railway, have consistently achieved 98% + on-time performance on their core lorries-on-trains services.

Central Railway service standards

Central Railway's market share and other traffic and revenue assumptions assume that its services will offer hauliers 95% or better on-time performance. Unlike other UK railways, Central Railway will benefit from controlling its own tracks and associated infrastructure. It will not have to deal with the inherent inefficiencies and difficulties associated with the separation of 'wheel from rail'. It will also benefit from the physical separation of Central Railway's tracks from the services of other passenger operators, including the priority demands of express passenger services, along the more heavily used portions of the route.

This separation contrasts sharply with other UK and Continental rail freight services which have to compete for scarce capacity with often incompatible high-speed passenger services. UK and European rail operators typically achieve roughly 70-80% on-time performance for passenger operations on mixed use lines and as little as 50% on freight lines. As a result, they only capture approximately 11% and 13% of their respective total freight markets. The US freight railways, which offer 98% on-time performance, capture around 40% of the total freight market, in tonne mile terms, in a country where roads are far less congested and fuel, road tax and other HGV costs are much lower. Central Railway will offer a much more frequent service than is typically provided by other UK or Continental rail freight providers.

The average length of haul on Central Railway's core freight shuttle services will be comparable to the typical 500km (300 mile) distance threshold which is the point at which this type of service in North America becomes increasingly more economic than competing point-to-point lorry service, even in the absence of barriers such as the Channel or the extreme motorway congestion around London and in the Midlands. Canadian Pacific, Burlington Northern Santa Fe, the Union Pacific and other North American freight railways all operate successful unaccompanied HGV trailer-on-flat-car services similar to those proposed for Central Railway.

Like these highly successful North American lorry on train services, Central Railway will operate relatively long, frequent freight trains and offer a combination of competitive pricing and reliability. Potential adverse impacts of this on property alongside Central Railway will be mitigated by the absence of level crossings and extensive environmental mitigation and property protection measures. For further details see our Property Protection Scheme and Environmental Benefits briefing notes.

Terminal	Trip to French terminal (hrs)
Liverpool	8.18
Manchester West	7.75
Sheffield	6.30
Rugby	4.93
West London	3.93

Central Railway's core freight shuttle services will be operated by the company and/or a joint venture subsidiary between the company and SNCF and/or an experienced North American rail operator, under contract to Central Railway.

Other freight services

Due to height and other restrictions on other parts of the UK rail system, Central Railway will be the only railway in the UK (other than the Channel Tunnel) able to accommodate standard continental freight trains. Unlike the rest of the UK rail system, it will not be competing for scarce capacity with often incompatible inter-city passenger and commuter rail traffic. This will make Central Railway an attractive alternative for:

- SNCF and various other Continental European railway operators (such as Deutsche Bahn, SNCB, FS) for conventional freight and unit train operations between, say, the Midlands and the Ruhr District in Germany, or Milan.
- EWS, Freightliner and other UK operators both for international (continental) freight services and for domestic services. Capacity constraints on the WCML as well as on the West London Line and other heavily congested commuter rail lines in London and the southeast could make Central Railway an attractive alternative to Network Rail's current lines.

As Central Railway proceeds through the approvals processes, the company and its traffic and revenue consultants expect to undertake more detailed studies to determine, amongst other things, the likely net revenues that it could realistically expect to earn from track access charges from other freight operators.

Central Railway and its consultants will also review what, if any, increased net capital or operating expenditure would need to be incurred by to accommodate third party freight traffic. These studies will also include a review of what restrictions would need to be placed on this traffic to ensure that it would not interfere with the reliability of Central Railway's own core services. As was the case for Eurotunnel, this is likely to include the establishment of minimum speed, equipment and maintenance standards as well as scheduling restrictions to ensure that Central Railway's capacity (train paths) is used efficiently. Where feasible and cost-effective, Central Railway will consider entering into longer-term take-or-pay type contracts with one or more of these third party operators in order to mitigate traffic and revenue risk (as was done for Eurotunnel). Pending the results of these studies, Central Railway has not included any revenues from third party operations in its Revenue Case.

Project design

The construction of the project will involve the provision of a new dedicated railway system in existing transport corridors parallel to existing

rail and motorway links, as set out in the company's May 2003 Draft Transport Case available on our website. Redundant or underutilized railway lines will be used where this is cost effective. Where existing railway lines are to be re-used, the assets will be upgraded or renewed, depending on their remaining useful life.

The project employs existing proven technology. Unlike high-speed rail passenger lines which require extremely sophisticated signalling and other technologies as well as very straight lines in order to accommodate 300km/hour speeds, Central Railway uses conventional technology aimed at permitting maximum speeds of 135km/hour, including the section through the Channel Tunnel.

From Manchester to Sheffield and on to Leicester and from Leicester to the Channel Tunnel, the services will be operating on new, dedicated tracks. On some of the more lightly used sections of the line from Leicester to Liverpool, Central Railway will share existing tracks with limited passenger and other rail operations. Route capacity will be tailored to traffic demand on each section. Timings will be adjusted as required to optimize the use of available paths through the Channel Tunnel and to accommodate UK franchise service undertakings.

The Project will be built to comply with relevant EU norms for interoperability established through directive 01/16/EC as well as applicable EU, UK and French noise emission and environmental protection rules. The profile of Central Railway's HGV on flat wagon trains requires approximately two metre or more height through bridges and tunnels than existing UK trains and therefore bridges will be modified or replaced where necessary. The route is planned to be overhead electrified throughout.

In France, the Company's technical plan and budget includes the cost of upgrading and electrification of existing RFF/SNCF railway lines between Calais and Arras, although other options are still under consideration by Central Railway and RFF/SNCF.

Design brief

The company's Draft Transport Case (available on our web site) includes a section-by-section design brief, track diagrams and a relatively detailed construction schedule and budget. The Company's design brief provides for substantially greater height clearances (structure gauge) than are provided on other UK railways, other than Eurotunnel. This higher structure gauge will permit the carriage of standard unaccompanied lorry trailers on standard railway flat wagons as well as full height and width, single stacked maritime containers.

This contrasts with other European structure gauges, including GC - also known as UIC.C - which is typical of the largest European provision typically on lines in Germany and Central Europe where lorries and containers are often carried on specialised wagons with low floors. It also contrasts with UK structure gauges, which are significantly smaller and therefore inconsistent with carrying either standard HGVs (even on German-style well wagons), much less double-stacked containers, as is routine in North America.

Staged opening of the railway

Central Railway's core lorry-on-train services from the East Midlands and West London through to France are currently expected to be the first deliverable output. Subject to Parliamentary approval of the hybrid Bill and other planning approvals occurring as scheduled in mid to late 2005, it is expected that construction would start in 2006 and for the first revenue producing services to start between the Midlands (M1/M6 Rugby), West London and northern France in 2011. Subsequent sections will open over an 18 month period from 2011 to 2012.

A. Initial opening: French terminal(s) and connecting lines to Eurotunnel/North Downs Tunnel to Eurotunnel/North Downs Tunnel/M25 alignment Leatherhead to Gerrards Cross and West London terminal/Gerrards Cross to Ashendon Junction (near Thame) Ashendon Junction to Lutterworth (M1/M6 terminal near Rugby)

B. Lutterworth to Sheffield: Lutterworth to Wigston (South Leicester) Wigston to Syston

(Transit through Leicester) Syston to Sheffield Terminal

C. Sheffield to M6 (West of Manchester): Sheffield to Penistone/Penistone to Hadfield/ Hadfield to Miles Platting (East Manchester) Miles Platting to Parkside Terminal (Newton-le-Willows)

D. Manchester to Liverpool: Parkside Terminal to Seaforth (Liverpool Docks)

A primary goal of the above construction sequencing programme will be to get the revenue producing section of the project into operation as quickly as possible even if the possessions, co-ordination and other issues with Network Rail and other elements of the existing UK rail system delay the completion of the northern sections of the project. The key to the successful implementation of this strategy will be the addition of track capacity alongside a section of the Chiltern Lines railway and the rapid completion of the 13km tunnel under the North Downs in the London/M25 section of the Project.

Protecting the environment and property

The company believes that the project will have a very large, positive net social and environmental benefit and expects that it will transfer more than five million HGVs from road to rail by its third year of operations. Based on the SRA's standard measure of social and environmental benefits for each HGV km shifted from road to rail, Central Railway will generate approximately £400 million a year in social and environmental savings to the public purse in the UK. The savings in France on the same basis would be on the order of £100 million a year.

Like any major rail project, Central Railway will have some noise and other adverse impacts on its neighbours. The number of residential properties that will need to be relocated or will be seriously affected is relatively small for a project of the size due to the fact that more than 80% of the railway is being built within existing rail corridors. At the same time, the company recognises and accepts that increased number of trains operating within these corridors as well HGV movements in and out of the terminals, will create localized

environmental and community planning issues.

The company is keen to work closely with the relevant local councils, transport agencies, regional economic development agencies (RDAs), environmental groups and others to mitigate and minimise any adverse, local or regional social or environmental impacts that the project may have and to maximise positive environmental, social, economic and regeneration impacts. For further details see our Property Protection Scheme and Benefits briefing notes.

In the meantime, the Company has included substantial noise abatement and other environmental mitigation measures in its construction cost estimates as well as more than £390 million to fund the Property Protection Scheme.

Environmental MoU

Towards this end the company has signed a Memorandum of Understanding (MoU) with the following environmental bodies to help in defining an appropriate framework going forward for dealing with environmental issues:

- The Countryside Agency
- English Heritage
- English Nature
- The Environment Agency
- The Forestry Commission
- The Farming and Rural Conservation Agency.

If the Government decides to support the project in principle, the Company intends to update its MoU with the environmental bodies listed above to take account of changes since it was initially signed. The MoU provides a framework for the relationships between the signatories during planning, design and construction of the railway. In it, Central Railway agrees that an Environmental Impact Assessment (EIA) will accompany its parliamentary application, to consult widely and openly about the project, to employ best practicable environmental options and to instigate appropriate environmental management systems during construction and operation. The environmental bodies, for their part, agree to facilitate Central Railway in its

environmental commitments by providing information and guidance. The company expects that a new MoU would follow similar lines.

Environmental mitigation measures

The company has included environmental mitigation measures in its construction cost estimates. As one of the largest potential property owners along the route under the Property Protection Scheme (PPS), the company will have a strong financial interest in minimising any adverse effects it may have on property prices.

The construction budget includes approximately £265 million for the installation of noise barriers and landscaping around the terminals and their access roads to reduce their environmental impact. The terminals will be designed for direct access from the motorways for the lorries using Central Railway to reduce local congestion. Along the railway alignment itself, the company plans to install noise barriers and undertake landscaping along the route where appropriate. The company's construction budget includes allowances for the installation of noise barriers along about 30% of the route and for landscaping along about 45% of the route.

The company has agreed to construct an alternative route for the Trans Pennine Trail which currently uses the dismantled railway from Deepcar to Hadfield.

The company has allowed for land re-mediation costs and waste costs arising out of the construction of the railway and the terminals.

Protecting property values

In addition to noise barriers and landscaping, the company is seeking to address the issue of possible blight to homeowners along the railway, through an innovative Property Protection Scheme (PPS). The PPS is available to homeowners where the company is planning to construct new or upgraded railway, even if their properties are not required for construction.

The PPS will underwrite the value of eligible properties by giving householders an option to sell their property to the company, if they so

wish, when construction starts in their area. This option, which applies to properties whether or not directly affected, remains with the property if sold and is indexed linked upwards only to the appropriate Halifax house price index.

The PPS has proved successful in practice and has been commended by a Committee of the then Department of Environment, Transport and the Regions (DETR). To date 1,963 homeowners have been offered a PPS option by the Company. 937 have taken up the offer. The Company understands that 302 (over 30%) of these 937 properties have been put on the market and sold or re-mortgaged with the benefit of a PPS option. For further information see our Property Protection Scheme briefing note.

Initial design capacity and reliability

Central Railway will have the signal and track capacity to permit five minute headways, which equates to a maximum design capacity of up to twelve 1,500 metre trains (with 82 wagons plus a locomotive at the front and back of each train) per hour in each direction on the most heavily used sections of the line. For business planning purposes the company has assumed a much lower eight trains per hour constraint in order to ensure its planned 95% on-time performance and other service reliability targets, with reasonable margin for error.

The company has provided for very high levels of track, rolling stock, signalling and other equipment maintenance and replacement, in order to minimise the risk of breakdowns and out-of-schedule operations. Similar standards (and compatible operating speeds) would be required for third party users (eg other UK and Continental European freight operators).

To protect further against any potential disruptions caused by occasional breakdowns and out-of-schedule operations, a combination of lay-bys (third track) and line inter-working where there are four track sections will be incorporated where appropriate and cost effective. For planning purposes, the Company has assumed that lay-bys would be spaced approximately 50km apart. With two locomotives per train this should permit trains to be moved to the next lay-by or

cross over without seriously disrupting schedules even in the event of a locomotive break-down. The combination of bidirectional signalling, lay-bys, the planned high maintenance and other procedures and design standards should permit 8-12 train per hour to be operated reliably on the most highly trafficked portion of the line, which is between West London and the Channel Tunnel.

Should capacity limits be reached, with respect either to the number or length of trains operated, the company could consider operating fewer shorter trains (with equal payloads) by shifting the mix of over time traffic from HGV trailers on trains to double-stack containers as is commonly done by the major North American freight railways.

The railway is expected to be operated all day everyday, but with significantly less traffic at night and over the weekend. For purposes of its capacity calculations, the company's Banking Case therefore models the railway as though it operated six days per week (312 days per year).

As noted above, HGV storage facilities will be provided at each of the main terminal facilities to optimise train loadings throughout the day and on weekends and holidays. However, the Company currently assumes that only 85% of the average 82 wagon capacity on each train would be used. These assumptions are conservative. Eurotunnel operates 24 hours per day, 365 days per year under more demanding conditions than Central Railway. Routine track, signalling and other maintenance is handled within Eurotunnel by "20 /24" hour operation under which through tracks can be operated at full capacity, 20 hours per day. During the remaining four hours, single tracks can be taken out of service for maintenance during a four hour period each day, with cross over to the other tracks. In principle, similar practice will be feasible on Central Railway.

Under the Banking Case traffic and revenue forecasts demand could reach this eight train capacity constraint as early as 2016 on the section between West London and the Channel Tunnel. Depending on final route selection and design in France, capacity limits could be reached in northern France under a single line

option at the same time. Projected traffic levels north of West London are, however, accommodated until 2046. This issue has been dealt with by capping usage at the relevant eight train capacity constraint without any adjustment in the number of assumed operating hours or days or any physical increases in capacity.

In addition, we have assumed that capacity constraints would effectively preclude the company from realizing any significant revenue from European freight railways or others operating over Central Railway.

In the short-term, Central Railway could ameliorate the impact of capacity ceilings by increasing tariffs. In the Banking Case, Central Railway's tariff levels are assumed to increase at an average of 1% a year in real terms from 2016 to 2026, an increase which is consistent with achieving over a 40% market share. Thereafter, the tariffs have been capped in real terms, thus ensuring that they remain substantially below those of the lowest cost road/ferry or road/Eurotunnel alternative. Central Railway's Base Banking Case market share falls from 50% to less than 30% by the end of the modelling period due to the assumed capacity ceiling of eight trains each way per hour.

SRA / Dft strategic fit issues

The company has given detailed consideration to how best to minimise or eliminate potential interface problems with other parts of the UK rail system as well as how best to maximise potential benefits. Central Railway's routing, design and operations concept will avoid most, if not all, significant interface issues with the existing UK and French rail systems. For example, Central Railway has redesigned its alignment alongside the Chiltern Lines to eliminate any overlap with Chiltern passenger operations.

In addition, consideration has been given as to how the project might support the following other key UK and French Government and EU objectives:

- Assist the French and UK Governments, the EU and rail authorities in substantially increasing the share of freight movements

carried by rail as opposed to HGVs without compromising rail passenger growth aspirations.

- Support the French and UK Governments and the EU in meeting their broader transport and environmental objectives by taking more than five million lorries off the roads each year after the initial build up period.
- This will produce approximately £400mn in avoided social and economic costs to the UK and French Governments based upon the SRA's standard measure.
- Assist the UK and French economic development authorities economic growth, employment and trade aspirations, in key target areas in northern England and France.
- Assist the UK authorities in meeting their rail passenger growth aspirations by freeing up capacity on the WCML, on the West and North Lines around London, and on other congested parts of the UK railway network.
- Save public/Government funded investment requirements on other parts of the UK rail system, including upgrading capacity at existing bottlenecks at Manchester Victoria, Leicester and elsewhere
- Attract large amounts of new private sector risk capital into the UK and French rail system as well as providing a showcase for international best practice in the development and operation of rail freight services.

For further details see our Strategic Fit briefing note.

Potential West Coast Mail Line co-operation

Subject to discussions with the DfT, the SRA and the WCML stakeholders, Central Railway believes that expenditure on the WCML could be reduced by not having to accommodate all of the existing and planned EWS or Freightliner freight operations on what is essentially planned as a high speed rail passenger line. Although freight trains only account for approximately 40 paths per day on the WCML, the much slower speeds of those trains uses a disproportionate share of WCML's overall capacity. If these stakeholders are interested in pursuing a co-operative arrangement with Central Railway, the company believes that it should be possible to transfer a significant

portion of that freight traffic to Central Railway, where it could be handled more efficiently and economically. For example, Freightliner container traffic could join Central Railway in Leicestershire rather than proceed to WCML at Nuneaton. Container traffic from Southampton could access Central Railway near Heathrow. EWS European traffic from most Midlands and Northern depots could access Central Railway using existing or new junctions.

Any required investment in connecting lines would be offset many times over by savings and service improvements on the main WCML, including enhanced commuter services on the WCML 'slow' tracks.

Other rail freight connections

On a broader level, the Company also expects to cooperate with Network Rail, the DfT, the SRA, EWS, Freightliner and the involved TOCs to facilitate smooth connections between the project and selected locations along the route in the UK, where Central Railway intersects with other rail lines.

Safety issues

The expected transfer of more than five million HGVs from road to rail by the third year of the company's operations will produce a huge safety benefit for the transport system as a whole. Safety will be an integral part of the company's planning, construction and operation. As with other railways in the UK, it is expected that Central Railway will be required to develop and maintain a Safety Case, under the guidance of the DfT and the Health and Safety Executive (HSE).

In Central Railway's case, this should be a much simpler task due to the fact that:

- it is freight (not a passenger) railway
- the company will have integrated control over track and operations and not have to deal with the split responsibility between 'wheel and rail'
- the project will be purpose-built and operated, rather than having to adapt itself

to a lot of inherited, often obsolete, signals and other problems

- the company will carefully monitor and control any maintenance activities, including any which it (or its operating subsidiaries) choose to out-source.

Security issues

Central Railway expects that current issues with economic migrants (including those surrounding the Sangatte Refugee Centre) will be resolved between the UK and French Governments and the EU in accordance with present timetables. Due to the lack of a requirement of marshalling yards and other extensive facilities adjacent to the Channel Tunnel, Central Railway will face lesser security, illegal immigrant and other problems and costs than EWS, SNCF and others have faced. Like the Euroshuttle, Central Railway's operations will be self contained, with predictable operations, maintenance and security costs.

Security (principally theft and vandalism issues) at Central Railway's other terminals and locations are also not expected to be a major issue. Each terminal site will be fenced, have video surveillance and access will be controlled at gates. Yard staff will have ID/security passes. It is anticipated most of trailer arrivals and pickups will be on a reservation basis.

As a part of this reservation system drivers will be designated for each delivery/pick-up (or a designated pool of drivers in the case of large customers) and driver identification will be checked at the entry gate. Drive up customers will be checked by security personnel at the gate and undergo a more detailed screening.

Load security will be enhanced, as required, through the provision of whole-vehicle scanning equipment within each terminal facility.

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 made.