

National Infrastructure Planning  
Temple Quay House  
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Bristol  
BS1 6PN

14th March 2019

Dear Sir or Madam,

**TR050006 Northampton Gateway Rail Freight Interchange – Comments following ISH4**

I write to draw your attention to the enclosed interview given by Sir John Armitt, the Chairman of the National Infrastructure Commission, to Rail Magazine.

Could the Applicant please respond to the assertion that there is “no economic case for carrying parcels by rail”?

Yours faithfully,

A large black rectangular redaction box covering the signature and name of the sender.

Dr Andrew Gough

Encs:

Rail 874, 13<sup>th</sup> – 26<sup>th</sup> March 2019, p20.



# Armitt: no economic case for carrying parcels by rail



EXCLUSIVE

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RAIL freight's downturn cannot be eased by carrying parcels traffic to meet the growing needs of delivery companies.

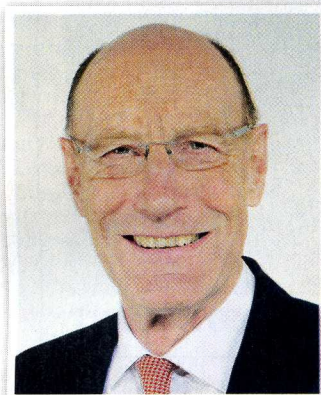
That's the verdict of the man tasked with producing a report advising the Government on its future freight strategies.

Speaking exclusively to *RAIL*, National Infrastructure Commission Chairman Sir John Armitt CBE claimed the rail freight industry "is up against it" and that "everything is going against rail freight" at present.

The former Railtrack and Network Rail Chief Executive explained: "Freight traffic hasn't been increasing in recent years. It has been decreasing thanks to



Operated by DB Cargo, Royal Mail 325006/004/009 pass Ledburn Junction (between Hemel Hempstead and Milton Keynes) on August 21 2018, with the 1622 Willesden PRDC-Shieldmuir. These are all that remains of the vast mail and postal services lost by EWS in 2004. Despite plans by GB Railfreight and Rail Operations Group to return this type of traffic to the main line, former Network Rail Chief Executive John Armitt believes there is no money in the work. PAUL BIGGS.



Armitt: "It would be very surprising if rail carries parcels in the future."

the reduction in coal-powered fire stations, and any decreases we see in the car industry is going to have an impact. The reduction in heavy industry is also going to have an impact.

"I think it would be very surprising if rail carries parcels in the future. I was at Network Rail when EWS [now DB Cargo] lost the contract for carrying Royal Mail traffic. Why did they lose it? Well, because the lorry was something like £45 per tonne and rail's lowest offering was £75 per tonne. You come up against those hard realities and I think that is going to continue to be a challenge for rail freight."

Armitt's comments will represent

a blow to those seeking to procure off-lease passenger trains (including otherwise redundant HST sets) and turn them into 'express parcels' trains, in order to take advantage of the boom in online shopping and the faster paths that can be afforded to ex-passenger trains compared with a conventional freight train.

Echoing comments made last year by Direct Rail Services Managing Director Debbie Francis, Armitt said the problem is exacerbated because Network Rail is being pressurised to prioritise passenger traffic over freight services, because "parcels don't tweet".

He explained: "Network Rail is going to feel the pressure from disgruntled passengers more than disgruntled boxes. I don't think that anyone is in any doubt that people trying to run passenger services don't actually look upon rail freight in a kind way."

"In an ideal world you'd have a dual system. But when you have to run them on the same system, freight is going to inevitably become what is regarded by the passenger boys as something that is a bit of a nuisance."

An interim *Future of Freight* report was published in December 2018 (*RAIL* 870), with the full report due out in the spring with recommendations for the industry and Government to consider.

Armitt told *RAIL* the report will focus on suggestions to help the Government to reduce congestion on the roads and railways, as well as ideas to help it meet its carbon-reduction targets by urging ministers to push freight up the priority list and "give it more attention in the future".

"The trouble is rail freight doesn't give you door-to-door. It has its advantages in transporting heavy goods, but it is difficult to see why it is likely to have any great advantage in carrying light goods."

"Can you make an economic case for rail freight to carry Amazon parcels compared with vans and lorries? I suspect you will struggle," he concluded.

## Freight Group seeks EC assurances on freight moves

The European Commission has been urged by the Rail Freight Group to uphold current industry standards and agreed directives.

The RFG wants the EC to give railway undertakings to have a 12-month transitional period following Brexit, to allow for sufficient time for concluding the necessary licensing requirements.

It warns there is a risk of severe disruption to freight services should the UK leave the European Union in a 'no-deal' scenario.

The EC has come up with contingency proposals, but the RFG warns these focus exclusively

on the validity of safety licences for cross-border rail infrastructure managers.

RFG Director General Maggie Simpson said: "Although we hope that the UK Government and the EU will avoid a no-deal exit, we must have the necessary provisions in place to ensure that vital rail freight trains can continue to operate."

"We welcome the move from the Commission to start establishing this framework, but this must be concluded as a matter of urgency and include all the necessary provisions to keep

trains moving."

The RFG said in a statement that its proposal would also ensure that contingency measures for rail are equivalent to those for road and air transport.

For road, it explained that the EC's contingency measures would allow UK-licensed lorries and coaches to continue to provide basic road services to and from the EU for nine months. For air transport, the contingency measures would allow air carriers licensed in the UK to continue to provide basic services between nine and 12 months.