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Everyone at FCP wishes you a successful year in 2010

FCP highlights in 2009:

- Provide bid management resources for a range of clients in connection with UK franchise, and concession competitions in a number of countries.
- Conduct a high level assessment of the effectiveness of the 2008 periodic review process with the ORR, Network Rail, DfT and other stakeholders including HM Treasury.
- Resource a multi-disciplinary team to advise Transnet, the freight operator in South Africa, on topics that include traction procurement, fleet management, and improved efficiency and safety of heavy-haul freight operations.
- Lead team responsible for development of the spectator transport plan for the Olympic Delivery Authority.
- Provide industry experts to support the DfT in arrangements concerning the East Coast franchise with the creation of Directly Operated Railways and management transfer.
- Continue development of the Operations Practice focused on capacity utilisation studies and strategies for infrastructure efficiency, service performance, and resource optimisation. Provide input to Planning Inquiries.
- Act as advisers to financial institutions planning rail investment providing risk assessment, due diligence, and transaction support.
- Refine rail strategy and identify service improvement opportunities for the Welsh Assembly Government.
- Undertake assignments at home and abroad for the expansion and upgrading of Metro and light rail systems including Stockholm, Hong Kong, Central Africa, and the East London Line project.
- Continue involvement with West Coast Main Line Pendolino fleet issues to deliver increased capacity following the decision to provide further rolling stock.
- Conduct an in-depth review of safety process for a UK train operating company and provide resources to implement findings.
- Act as centre of excellence for training in operational functions on behalf of the Association of Train Operating Companies and the Institution of Railway Operators.
- Maintain leadership role in the development of start-up companies in the rail operations and services sector that include Feonic Transport Limited and Mytrainticket.co.uk



Class 90 electric locomotive No. 90015 *Colchester Castle* propels the 09.30 Liverpool Street–Norwich service towards Marks Tey on a snowy December 19th last. National Express has been informed that the three-year extension option on the East Anglia contract is not to be taken up. This will lead to a new franchise competition during 2010/11. David Smith

PUBLISHED BY FIRST CLASS PARTNERSHIPS LIMITED

EDITED BY MIKE JONES

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Franchise news

FCP has had a close involvement with franchise and concession bidding in the recent past and has contributed wide expertise in responding to tender documentation required by the Department for Transport and other authorities.

Recent reports from Arriva concerning the improved financial performance of the Cross Country franchise demonstrates the successful judgments made by the FCP bid management team and a number of the individuals involved were subsequently appointed to key executive positions to deliver the franchise plan.

During 2010/11 three new franchise competitions will take place following a decision by the DfT to terminate the East Anglia franchise on 31st March 2011, without exercising the option of a three-year extension. For c2c, the London, Tilbury & Southend operation, the original 15-year contract expires on 31st May 2011, and is to be re-branded as the Essex Thameside franchise.

As yet the length of these new franchises is unknown. A number of stakeholders have called for longer franchises to allow greater investment by TOCs and this policy change is currently being evaluated.

Meanwhile the East Coast Main Line franchise has been given up by National Express, with Directly Operated Railways (DOR) assuming control on 13th November last year. DOR is a holding company and another publicly owned firm, East Coast will be the train operator.

The intention is that the Government will run the franchise for a period of time until a new contract competition takes place. The effect of the recession on the premium payments that the East Coast Company will pay are significant compared to the obligations taken on by National Express in their winning bid.

This year 2009/10, the payment is reduced from £96 million to £47 million, in 2010/11 from £304 million to £170 million, and in 2011/12 from £367 million to £216 million.

In total this represents a reduction of £334 million on the funds that were expected to be available in the rail budget over the next three years. ■



On only its third day in revenue-earning service with Freightliner's Heavy Haul division, new Class 70 locomotive No. 70002 powers loaded coal hoppers over Shifnal Viaduct, near Telford, on December 3rd. The train was the 07.34 Stoke Gifford to Rugeley Power Station service which has been selected for the type's in-service haulage evaluation. Peter Cheshire

New high-powered freight loco offers operator benefits

FOR FREIGHT OPERATORS the only new locomotive available in recent years has been the Class 66 type built by General Motors and later Electro Motive Diesel. The type is used by all the major Freight Operating Companies and has proved a rugged reliable workhouse although lacking in power for some bulk services which results in the penalty of lengthy point to point timings on gradients, and a lesser payload than can be hauled by the last British Rail type, the Brush-designed Class 60.

As a result of a decision by General Electric to enter the UK market the first deliveries of a higher powered locomotive, designated Class 70 are now being made to Freightliner. These machines have the benefit of characteristics that allow a greater payload, an anticipated reduction in fuel consumption and lower maintenance costs.

The first of an order for 30 locomotives arrived in early November. Six units, which have been built at the Erie works in Pennsylvania USA, are now being used for in-service trials and crew familiarisation. The remaining locomotives will be built as traffic demand requires but a further six will be available in September 2010. The traction unit is rated at 3,700hp (2,750kW) which compares to the Class 66 output of 3,200hp (2,385kW). Maximum tractive effort is 544 kN (122,000 lbs) which is a significant advance of the Class 66 statistic of 409kN (92,000 lbs). Continuous rating is similarly improved, which enables higher speed on adverse gradients.

Looking to the future there is capability to fit both GSM-R and ERTMS radio and movement control systems which has been incorporated in the design specification. Close attention has also been given to the cab design which is air-conditioned, and stakeholders were closely involved in the production process to optimise the operational environment.

FCP has the capability to model service performance for defined routes and loading, and we can assist Operating and Leasing Companies with business case evaluations to justify investment. ■

Freight traffic hit hard by recession

THE RECESSION has had a severe impact on the Freight Operating Companies and a licensed operator, Advenza Freight has recently been forced to cease trading. Elsewhere capacity and costs have been reduced by storing locomotives and rolling stock. Figures for the second quarter of the financial year between June and September make grim reading as the tonnage lifted declined by 18.2% compared to the previous year. Activity in the rail market for carrying coal reduced by 24.6% and figures have been poor in the third quarter as well given low demand from the electricity generators as a result of mild weather and the more competitive

position of gas supplies.

In terms of tonne-kilometres, a measure that reflects both tonnage and the length of haul the decline is less severe as figures for traffic using the channel tunnel are showing some improvement albeit from a very low base. The demand for carrying containers from UK ports has also been maintained at a similar level to last year. The Rail Freight Group, a trade association that represents freight customers, continues to press for Government action to reflect the benefit rail brings in reducing carbon emissions as moving freight by rail gives a 70% reduction compared to road haulage. ■

Is it really ten years?

RICHARD GEORGE WRITES...

BY THE TIME YOU READ THIS you will be in the early days of 2010, basking in your post Christmas glow of over-indulgence and thinking about what comes next back at the coal face. You may also be like me and thinking was that it? Have the noughties really finished? Where did the last 10 years go? With a severe risk of sounding like Victor Meldrew I just don't believe it!

It is sobering to think back to where we were 10 years ago and consider what has happened since – for better and for worse. If my memory serves, ten years ago was the middle of a truly traumatic period, certainly it was for me personally, but it was for the railways generally. We were half way through the Southall Enquiry when the Ladbroke Grove crash took place in October 1999. Not since Clapham in 1988 had an accident had such a profound impact on the public consciousness. Scare stories that week of possibly over 200 dead had fuelled the trauma and 'disaster' was a word used freely and accurately. As it turned out there were 31 deaths – but with over 500 injured, none the less tragic for that.

So the industry started the decade in a state of anxiety and depression. Unfortunately, over the next two years the crashes at Hatfield and Potters Bar further fuelled these public and the political anxieties about the railways. What had once been dismissed as simply a political statement that 'privatisation had made the railways unsafe' now became a matter of serious debate outside and soul searching inside the industry.

The demise of Railtrack

As with many things on the railways the distinctions between cause and effect are blurred – there are usually so many factors at work – and some of those not obvious. So whilst I would argue strongly that it was not privatisation that had caused the problems, it is undeniable that there were causal factors at work which had brought about a serious dislocation in the fundamental fabric of the railway infrastructure in a broad sense. The generally accepted consequence of these crashes and this state of affairs was that they combined to have a crippling effect upon Railtrack, the railway's day to day operations, its finances, its insurance bills and ultimately its relationship with the body politic. Cumulatively this dysfunctional set of relationships ultimately led to the demise of Railtrack in 2001 and the creation (by government) of Network Rail to replace it.

Looking back at that period from the relatively calmer waters of December 2009 – it is clear that the principal pre-occupation with the railway industry now is in very marked contrast to the problems of that time. At that time the worry was safety, basic infrastructure investment and the solvency of the infrastructure company. Today the main railway stories in the press revolve around Train Operating Companies going 'bust' and having to be looked after by HMG. Below the waterline it is also clear that there are a good few TOCs that are in revenue support and so not quite so visibly in trouble – but in trouble nevertheless.

“The system is more mature and stable than might have been thought possible.”

There seems to have been a fundamental shift in the risk transfers. (As an aside, I recall in the early build up to franchising being asked how much profit I would pay back to Treasury if we made 'too much' money – my response was that I was only prepared to discuss it if Treasury were prepared to underwrite potential losses on the other side – at the time they were aghast and the conversation ended promptly!)

Interestingly, I think the system is more mature and stable than might have been thought possible given the scale and depth of the current recession. But what about the infrastructure? The biggest story in recent weeks about Railtrack's successor Network Rail has been the size of their directors' salaries and bonuses.

The greatest infrastructure failure seen in modern history has collapsed all around us all in the last couple of years – but it has been the banking industry not the railway industry that has seen (created) this collapse. The backwash works in many and odd ways – the directors of Network Rail are being queried over salaries largely because of the scandal over banking bonuses and because of MPs expenses and the focus on any 'public sector fatcat'. What short memories there are! Frankly, if their pay is all we have to worry about as regards the railway infrastructure then I am delighted and they can keep every penny – lets have a bit of perspective here, remember the period before Network Rail took over.

A great deal of optimism going forward

There is also something extraordinary going on that gives me a great deal of optimism looking forward. Despite the massive recession and the nasty thoughts that Treasury must be having about the railways as a consequence - I am detecting no sabre rattling from any quarter over the fate of Crossrail. There also seems to be a serious and healthy debate about High Speed routes going on that appears to be taking place in a vaguely non political way that seems to suggest that everyone wants to do it – all very odd given the complete shortage of any money rattling around in the tin. Now we all know we have an election coming along this year and this may well have something to do with it but...

So I look back with sadness at the tragedies of late 1990s and the early noughties – but actually with some satisfaction that the whole structure looks more stable now – both the infrastructure and the franchise system – all look a lot more mature than ten years ago. Let's hope they stay that way. Whatever happens next – be it political or be it railways – I hope you all have a very profitable new year (it is in everyone's interests!). ■

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FCP continues to undertake wide-ranging advice in the transport consultancy market for customers that include the Department for Transport, Scottish Executive, Welsh Assembly Government, Office of Rail Regulation, Transport for London, overseas governments and railways, financial institutions, UK train operating and rail engineering companies. FCP is also retained by the DfT as the 'operator of last resort'.

North West receives electrification boost

ALTHOUGH NETWORK RAIL finalised its Electrification Route Strategy at the end of October, new announcements were made by the Government to coincide with the full introduction of domestic high speed services using HS1 at the start of the winter timetable on 13th December.

The imperative from the DfT appears to be two-fold, firstly to secure quick wins in reducing the use of diesel traction 'under the wires' and secondly to produce greater availability of rolling stock following the mid-year cancellation of an intended order for 100 mph diesel units that has led to a prediction of significant capacity shortfall as economic growth returns. This has resulted in a proposal to electrify three important connecting routes to the West Coast Main Line allowing electric trains to operate between Liverpool and the North via St Helens and Wigan, from Manchester via Preston, and between London and Blackpool. This is in addition to the earlier commitment to electrify Stephenson's original infrastructure between Liverpool and Manchester via Rainhill and Newton-le-Willows. Work is expected to be completed by 2016. The Great Western Main Line continues as the DfT main line priority despite Network Rail finding that there would be greater economic benefit in an extension of the Midland Main Line wiring beyond Bedford. The electrification project cost of £1.3million will be of a part of Network Rail capital spending

that is funded by direct grant from the Government and will spread over into the Control Period 5 investment plan between 2014-19.

Current decisions on rolling stock deployment are taken by the DfT although a number of stakeholders believe it would be better if longer franchises were granted which would allow commercial decisions to be made about the type and quantity of rolling stock procured. The status quo is that 1,300 new vehicles will be delivered by 2014 although it is unlikely that there will be no new diesel units as electrification plans will allow the InterCity Express fleet to be made up solely of electric trains. Electrification of the North Western routes listed will release modern diesel units and see the retirement of the two-axle Pacer units built to reduce operating costs at a time when it was thought substitution offered a better solution for many urban and secondary rail routes – thank goodness that era is in the past.

It is disappointing that long-distance London commuter routes are to have cascaded Class 317 series trains that date from an earlier era of passenger expectation. These trains were built down to a price and have unsatisfactory passenger amenity standards. It would be better if these units were retired rather than refreshed which would happen if train operating companies had more control over the product offered. ■

Channel Tunnel local services are called for

KENT COUNTY COUNCIL has published plans for new Channel Tunnel services that offer local journey opportunities. Styled as 'The Transmanche Metro' the trains would provide services between intermediate stations on both sides of the tunnel. An hourly timetable is proposed that provides calls at all intermediate station with the possibility of some new ones on the high-speed route between St Pancras International and Lille, from where there would be onward connections.

The stumbling block is the lack of suitable rolling stock. The safety regulations concerning vehicle types that can be used are controlled by the Channel Tunnel Inter-Governmental Commission with day-to-day management exercised by the Bi-National Channel Tunnel Safety Authority. Design requirements are onerous particularly in respect of passenger evacuation procedures but there is some evidence that the risk assessment carried out before the tunnel opened has not reflected what has happened in terms of major incidents that have occurred. In particular, there have been calls from a number of stakeholders to tighten up arrangements for conveying heavy goods vehicles and to add to that the recent disruption to passenger services revealed that the intended evacuation procedures did not work out as expected. This most recent



Southeastern launched its full high speed timetable between the Kent coast and St Pancras International on December 13th after a successful preview period that saw the services expanded and strengthened on several occasions. Here, one of the fleet of 29 strong Class 395 Hitachi 'Javelin' trains speeds past Lenham. Kent County Council is proposing local passenger services to France via the Channel Tunnel. Alan Crotty

event, that involved five Eurostar trains suffering failures in the tunnel led to passengers being trapped for more than 15 hours after the temperature change between sub-zero conditions in northern France. The warmth and high humidity inside the tunnel caused condensation to form that resulted in flash-overs that disabled the train electrical system.

The extent of the problem overwhelmed the formal procedure for dealing with train failures and ad-hoc arrangements had to be instituted that including hauling Eurostar sets with diesel locomotives used by Eurotunnel for terminal operations.

Eurostar has launched an independent review into the management of the incident which is to be led by Christopher Garnett, who was Commercial Director for Eurotunnel before moving to head up GNER. This also represents a good opportunity for the Channel Tunnel Safety Authority to review requirements for rolling stock and whether the measures used in the UK for trains operating in an underground environment might be applied. This would allow local services as proposed by Kent County Council to operate using rolling stock that is compatible with designs used in the UK. ■