



**ASLEF's response to Delivering the Goods – Consultation towards
Scotland's Rail Freight Strategy – January 2016**

1. The Associated Society of Locomotive Engineers and Firemen (ASLEF) is the UK's largest train driver's union representing approximately 20,000 members in train operating companies and freight companies as well as London Underground and light rail systems. ASLEF has just under 2,500 freight members of which over 200 are in Scotland.
2. ASLEF is pleased to respond to this consultation and glad to see the support the Scottish government seeks to offer the industry. The rail freight industry is an essential element in developing the Scotland into a modern, low carbon and dynamic economy.
3. The Latest Office of Rail Regulation figures issued for the year ending April 2015, show that rail freight traffic was 22.21 billion net tonne kilometres, the second highest figure in the past twelve years. The previous year (2013/14) saw the largest growth at 22.71 billion net tonne kilometres. Most of this growth has been driven by consumer traffic which has grown by 30% since 2006/7 and grew 5% in the year 2014/15. This is the emerging new traffic for rail which is forecast to quadruple by 2034. Construction traffic which increased by 17% in 2013/14 and 10% in 2014/15.
4. Rail freight is essential for green economic growth. However, the declining market for coal is at risk of decimating the industry and preventing its future growth. Therefore everything must be done to ensure that the future growth that is being predicted is facilitated as much as possible so that it

replaces the coal services, and the infrastructure to shift more goods on our railway isn't allowed to fall into managed decline.

5. Scotland has a great deal of natural resources and food and drink that are demanded around the world. This means a great deal of logistics is needed to service the economy. As the consultation notes, the Scottish Government must meet its commitment to tackle climate change, and meet EU targets for modal shift from road to rail (and waterways) of 30% by 2030 and 50% by 2050 for distances greater than 300 kilometres. HGVs are responsible for 20% of carbon dioxide emissions from all domestic transport and road freight now account for 8% of UK carbon dioxide emissions. Yet rail freight produces 70% less carbon dioxide per tonne carried than the equivalent road journey.
6. There are also significant safety advantages to reducing HGV journeys. HGVs are involved in 9% of fatal collisions despite only making up 3% of traffic. Just under four people a week die on Scotland's roads.
7. However, rail freight is not just beneficial from a safety and environmental perspective. Road congestion costs UK businesses £24 billion per annum. The ORR calculates that rail freight's reduced congestion benefits are equivalent 28 pence per HGV mile avoided.
8. The challenge for the Scottish government, industry stakeholders and policy makers will be to ensure the increase in new traffic, specifically intermodal loads, happens at a quick enough pace to replace the fast depleting coal traffic. This is important for many reasons.
9. Firstly, if coal traffic disappears, and Freight Operating Companies (FOCs) begin to lose work, jobs and freight facilities may be lost. This is obviously a problem in itself for our members and many of those who work in the industry. However it creates a long term problem. When intermodal traffic

continues to increase over the coming decades, there will no longer be the capacity for it to be taken on our rail network. Goods that could have been transported by train will simply not be able to due to a lack of services and facilities. This means they will be forced on to the road with the increase carbon emissions, detrimental road safety and congestion problems that it will bring.

10. Secondly, it should be remembered that it is FOCs that do ballast and infrastructure work on our rail network. This facilitates the growth of passenger services as well as freight. If the industry sheds drivers, other staff and infrastructure sites and stock, who will be able to cover this essential work? There has been positive news over recent weeks about the re-opening of Millerhill Yard for ballast work. This is clearly good news for Scottish Rail freight. But it must be remembered that DBS who currently have the contract for the work, only have it for two more years. At this point it will be retendered. If the growth of intermodal traffic does not match the decline of coal traffic, leading to fewer drivers employed in Scotland, there may not be enough key staff for companies to bid for the work. This could see this work shifting to other parts of the UK.

11. For the reasons above, it is very much in the interest of the Scottish government to support rail freight where it can. As the consultation states, it is clearly not possible to transport all goods, all distance by rail. Road will almost always have to be used for the final miles of a journey. ASLEF believes that rail, road and water must complement each other. However, where it is practical, as much freight as possible should be taken by rail. However much existing government policy does not allow for a level playing field between road and rail. HGVs pay nowhere near the cost they impose on society. In fact, depending on the way it is calculated, HGVs only pay between one to two thirds of the costs they impose on society. This ultimately means that road haulage receives an enormous public subsidy. This is not the case for rail. The consultation explains “at a very

broad level, we are supportive, of a track access charging structure which enables Network Rail to recover its efficient costs and which is fair.” This is something that does not apply to HGVs and roads. Lorries are up to 160,000 times more damaging to road surfaces than the average car; some of the heaviest road repair costs are therefore almost exclusively attributable to the heaviest vehicles. To level the playing field, it becomes essential to maintain grants to rail freight.

12. ASLEF is pleased to see continued support by the Scottish government for Freight Facilities Grant and Mode Shift Revenue Support schemes. The union is also happy that the government is also looking at some rail aspects not currently eligible for freight mode shift grant support which should also receive public support.

13. Equally ASLEF is glad the Scottish government can see that “the charging structure should not serve to drive existing freight traffic from the railways nor discourage the emergence of new traffic and markets. We also broadly support the industry’s calls for some degree of long term certainty in the charging regime – this is critical in order to give rail freight customers the comfort to support investment.”

14. ASLEF wrote to Keith Brown MSP specifically on this matter in 2012 when the ORR first proposed variable access charges saying it would hit the Scottish industry hard. We have seen this happen. The Scottish government is limited in what it can do on this matter, but ASLEF hopes it will do all it can to help freight plan and compete with the introduction of a fairer access charge regime.

15. The Scottish government must also do all it can to facilitate the construction and planning of freight terminals. There is very often a great deal of “nimby” attitudes to major work like terminal construction. However given the right location and design, these facilities can fulfil an essential

role, and service the local community well without being a burden. ASLEF believes that the Scottish government must safeguard sites such as closing power stations for potential development. Such sites have already been given permission for industrial use, have good rail and road connections and have local communities close by who could be offered employment. In many ways they can act as readymade sites for such developments.

16. The Scottish government must also support electrification and infill work to ports such as Grangemouth to ensure that freight can modernise and become more efficient, even greener and more reliable.

17. ASLEF has always had a great deal of concerns over 'Alliancing' between TOCs and Network Rail. The rail network has multiple operators running over the same lines. Whilst Scotland is slightly different to the rest of the UK in as far as one operator runs the vast majority of services, there are still TOCs and FOCs other than Scotrail who run over the infrastructure controlled by the Alliance. The Government must therefore do all it can to ensure that the Alliance does not prioritise Scotrail over other operators, including freight.

18. ASLEF fears that the increase in consumer goods and intermodal traffic will simply not be rapid enough to replace lost coal traffic. Therefore we call upon the Scottish Government to support the growth of logging and biomass and its transportation by rail. It is essential that the Scottish government work with people such as the Highland Timber Transport group who have made repeated efforts to resurrect rail haulage but faced barriers due to cost and infrastructure constraints. Relying on consumer goods will simply not be enough so we must do more to support the movement of Scotland's resources.

19. To enable this, ASLEF calls upon the Scottish Government to do far more open up the Highlands to rail freight. Millions of pounds have been invested in building a dual carriageway from Perth to Inverness yet the railway line remains single track. This clearly invites far more goods on to the road.
20. There will clearly be limitations on what the Scottish Government can do according to what powers are devolved. Freight is international and crosses over the border to and from England every day. Whilst Transport Scotland can offer Freight Facility grants and support for infrastructure north of the border, we also call upon them to lobby and push the UK Government wherever it can to help the freight industry compete on a level playing field with road haulage.
21. As well as supporting rail infrastructure, ASLEF believes the Scottish Government must ensure that when tendering for public sector projects and infrastructure works, contracts stipulate that where practical, as much materials and goods are transported by rail as possible in order to reduce carbon emissions and road congestion.
22. ASLEF feels that more must be done to utilise the Channel Tunnel and calls upon the Scottish Government to do what it can to support its use for rail freight. Clearly there have been issues of late that have led to its closure and a lack of reliability. However in the long term, by not fully utilising the link to continental Europe, we are restricting the market for rail freight within Scotland. It is simply not right that we have no direct rail services from Scotland to the continent via the Channel Tunnel. There has been investment in rail freight centres like Eurocentral in Mossend that has failed to reach its potential because of this. As the consultation points out, “the real or perceived inability to run direct services is potentially a lost market opportunity.” This must be overcome.

23. ASLEF is encouraged by the value the Scottish Government is attributing to rail freight. The consultation is positive and addresses some major issues. However the Union fears that whilst transportation of consumer intermodal goods on rail are projected to increase, the pace will simply not be at a rate fast enough to make up for the loss of coal. This could lead to the industry declining, the loss of staff, rolling stock, facilities and even railway land being sold. This would be a problem for maintaining our network and could reduce capacity for when intermodal traffic does hit a peak leaving it little option but to be moved by road. Therefore Government and industry must redouble its efforts. Road haulage is greatly subsidised when considering the damage it inflicts. Help is needed to ensure rail competes on a level playing ground and its potential is maximised. By doing this we can ensure that Scotland has a prosperous, green and efficient economy for the 21st century.

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