



House of Lords Select Committee on Economics Affairs – The Economic Case for HS2

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.
2. ASLEF strongly believes the need for enhancing the capacity of Britain's inter-city rail network is of paramount importance.
3. The British Rail Network is running at capacity. Over the past few years rail use has been at record highs with more distance being travelled by rail than in any other era in peacetime. We are travelling 10 billion miles a year more than we did just one decade ago.
4. The growth on the main two north to south routes in the UK is also extraordinary. Between 2008/09 and 2009/10 the West Coast Mainline increased the number of passenger journeys it took by 15.8% and passenger kilometres by 18%.
5. The East Coast Mainline is one of the busiest lines on the rail network and there is insufficient capacity on parts of the line to deal with all the requirements of passenger and freight services currently, without considering growth.
6. Economic growth is dependent on the ability of people and goods to get around. Figures quoted by Credo Group for Invensys Rail which showed that every £1 invested in rail by the government generates an additional £1.30

from the private sector – in other words investment in transport has a stronger multiplier effect than other sectors of the economy.

7. Network Rail's Route Utilisation Strategy explains that "the West Coast Main Line is nearly full to capacity. The market for travel between London and Manchester is expected to grow at the fastest rate, with passenger demand expected to increase by as much as 61 per cent." It also states that "This RUS therefore supports the development and implementation of a high speed network initially between London and the West Midlands, but also to Manchester and beyond. We believe that this is the best way to free up capacity on the West Coast Main Line and are delighted the Government is committed to the project."
8. A report by Heathrow airport has claimed that a lack of capacity at Heathrow is costing the UK economy £14bn a year in lost trade. A simple way to deal with this is reduce the need for domestic aviation.
9. According to the EU, Heathrow's congestion problems could be eased by cutting domestic and European flights, while demand for new runways could be suppressed by building new rail networks. The EU transport commissioner, Siim Kallas, has announced a series of green transport goals. He explains "If we are successful in creating new railways they can take over short-haul airline connections. It makes it easier for the runway issue."
10. By linking to Heathrow airport, domestic connecting flights which use Heathrow as a main hub for international journeys will be reduced. It is important to remember that travel by HSR produces one-quarter the emissions of an equivalent trip by air, taking into account the average loadings typically achieved on each mode.
11. For HS2 to truly achieve its full potential in terms of its economic benefits, it is essential that rail freight is considered when looking at the many new paths which will become available on the East Coast and West Coast Mainlines.

12. It must be remembered that the rail freight sector directly contributes £870 million to the UK economy and supports output of £5.9bn. The benefits of rail freight fall outside the railway balance sheet but benefit the road network and the economy by removing or reducing:
- £772 million per annum in congestion costs
 - £133 million per annum in road infrastructure costs
 - £68 million per annum in CO2 costs
 - Pro-rata 42 road deaths at a value of £78.8 million
13. Research already carried out by ARUP (A global firm of consulting engineers) and Volterra (Economic Consultants) had shown that a 'Y-shaped' network travelling from London to Birmingham, where it would split with one arm of the 'Y' heading to Yorkshire, could provide between £1.5bn and £3bn of productivity benefits to the economy, in addition to transport benefits of around £29bn.
14. Their research estimates that linking the Sheffield City Region the Leeds City Region, and the "Three Cities" of Derby, Nottingham and Leicester as part of a national high speed rail network would connect an area of 6.7 million people and 3 million jobs. Existing connections to the Tees Valley and Tyne and Wear City Regions would provide access to a further 2.2 million people and 0.9 million jobs.
15. They estimate the scheme will create 40,000 jobs and economic benefits of £43 billion.
16. For HS2 to truly meet its economic potential, it must link to HS1. This enables Birmingham to be a little over three hours from Paris, and Manchester and Leeds around 3 hours 40 minutes.
17. ASLEF firmly believes that the UK has no choice other than to build a new railway line. Our network is at capacity and there is no sign that the increase in usage is going to die down. Not creating the extra capacity offered by HS2 would not only be turning our back on additional economic benefits, but would

also constrain current economic growth. HS2 will create economic benefits due to higher speed journeys between our cities, additional capacity and more rail freight taking congestion off our roads. There are also benefits not covered by this investigation, in terms of social benefits and reduced carbon emissions. Transport spending leads to growth across our economy. Recent KPMG analysis of construction expenditure in the coming years shows that £66.2 million is forecast to be spent on transport projects. This equates to 57% total spending. Transport underpins all of the UK's industries. We're at capacity on the railway and the wider economy needs the benefits HS2 will bring.

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