

**25th September 2003**

## **Why Rail is Important**

Clarity, Certainty When I first joined the SRA almost two years ago, I promised three things - leadership, clarity and certainty. There is now leadership. We have got to grips with the West Coast Route Modernisation and turned it into a project that is deliverable and value for money, and we are doing the same with other things, such as the Southern Region New Trains Programme. We have taken action to remove trains from the network that duplicate others and added to congestion, and we have secured large and lasting benefits in performance and reliability. But, like many of the issues where we have exercised leadership, we have had to do it in a climate of hostility. But let me be clear. There is no automatic correlation between making the right decisions and being popular. I believe we have made the right decisions and I will continue to make them. There is clarity: A new franchising policy is putting the passenger first with very clear outputs and key performance indicators; We are developing a Network Utilisation strategy and related route strategies to make sure that we are making best use of the infrastructure - what Tom Winsor has so eloquently described as "an extraordinarily precious network of narrow land corridors, city centre to city centre, going all over the country;" We have a Network Output strategy that once finalised, will clearly define the network outputs we want to buy from the railway, having regard to all users of the network; We will have a Fares Policy which starts to provide a better balance between taxpayer and customer support for the railway; We are currently consulting on a rolling stock strategy. We cannot provide an overnight revolution, but we will get the railways to a position where we have restored the credibility and dependability of this vital part of our national infrastructure. Together, leadership and clarity will create a stable environment and will point the way towards the creation of a railway that offers certainty to customers and to investors, whether they are public or private. When I took this job, I said that I would not go to Government with a begging bowl for more money on the grounds that the industry had overspent or on the emotive basis that it "made sense". As I told the press at lunchtime today: no demands, no megaphone, no begging bowl - not now, not ever. But equally, I am not going to propose simply what I think the Treasury might be prepared to live with. The task is to present the right number for the right network that focuses on what rail does well. Then the debate should be not over whether the figures are right or not, but over the role of the railway, and the sort of network the Government wants to see delivered. Cooper-bottomed analysis, not a begging bowl. The Case for Rail Today is a milestone. We are publishing Everyone's Railway, which I think is the best argued case for the development of Britain's railway that has been produced for a very long time. It is a strong case and we shall be putting it forcefully. We will do that as the strategic authority charged with the direction and leadership of Britain's railway and in our role as adviser to the Secretary of State as he considers the wider transport policy agenda and in particular the role of the railway in delivering it. But we cannot make the case alone. We are seeking support through every regional and local authority in Britain, through passenger

groups, through business groups like the CBI, through other groups such as the Rail Freight Group and the rail freight industry and through the support of everyone who works for the railway. By Christmas, I shall have visited every English region - most of them twice - as well as Scotland and Wales, engaging with stakeholders, seeing the railway on the ground, and building support; Everyone's Railway is based on the essential role that the railway plays in the economy of Britain and the lives of its people. It also deals directly with some of the myths that have been peddled about the railway over the last two or three years. Let us allow ourselves a reality check: Rail has an importance to the British economy that goes well beyond its overall 6% market share. Almost half the population uses the railway at least once a year, and the network carries around three million passengers every working day. Everyone benefits from the role of the railway - whether you are turning on a light switch using power generated by coal brought by rail, or buying a new home, whose building materials have come in by rail. Rail for example carries 75% of all solid fuel transported in Britain. London could not function without the railway in the South East, and 78% of Central London commuting is by rail and Underground. Strathclyde is the second biggest commuting network, and 31% of workers in Central Glasgow come in by train or Underground. It is not just London and Glasgow. To quote but one of many, many similar examples, you may be surprised to learn that around 55% of passengers between central Manchester and central Newcastle use rail. That total includes all those who drive by car. All transport modes are congested, and the roads will remain so, as more traffic pours in to fill up any new capacity created. Only on the railway do we have the tools to manage congestion, through proper capacity utilisation, fares policy and a timetabling and regulation mechanism. Rail will always have the capability for higher average speeds than the road network, and while the fabulous recent speed record of 208 mph on CTRL reinforces that message, this statement is true across a vast number of the most important centre to centre journeys in the UK. Rail is good for cities, and city centre regeneration. It limits the urban sprawl that comes with reliance on the road network. So, it is good for the countryside as well, and so on. Everyone's Railway The railway is for everyone. It is not the preserve of the business traveller or the commuter. It is not run for the benefit of railway managers. It is not there just to serve people in London and the South East. It is for everyone. We must give the railway back to its customers - that was the theme of Alistair Darling's address this morning, and it is vital - that BR was never empowered to do, and that the privatised network has achieved only patchily to date. In serving its customers, it serves everyone. It serves Britain. In particular: It will make a major contribution to tackling congestion with benefits for road users as well as rail. It supports fundamental economic activity such as tourism, urban regeneration, development of the distribution networks of the major ports and airports, as well as the maintenance and development of London's status as the world's premier financial centre, and so on. It connects communities. It provides a safe way to travel - six times safer than car - and there is a strong environmental case for rail. It delivers a railway for passengers, who are flocking to use it in numbers that are today higher than at any time since the end of the second world war. It delivers a railway for logistics and freight with more household names like Asda, Jaguar cars, Marks & Spencer and

Superdrug now using rail freight as part of their distribution networks.

Conclusion The last 18 months has been about laying a stable foundation for delivery and change. Delivery first, because without effective delivery the railways' customers will never fully and willingly embrace the arguments we have heard today. Remember that delivery begins with management - you do not need a strategy or a policy to clean a train; you need buckets, mops and supervision. After delivery comes change. The railway industry was showing all the hallmarks of a lack of leadership. There is now leadership and the policies and strategies from franchising through to Network Utilisation are in place. The railway now exhibits clear evidence of a collective understanding of a common objective. And this is being achieved without the structural trauma that some promote, as that would lead us backwards, not forwards. But whilst we re-establish stability, control and delivery, we have to look to the future because the railway is growing in importance, not declining. Indeed, I would say that the railway is more important now than it has been for 50 years. We have heard many examples today of why it is not overstating the case to say that our financial, social and environmental quality of life is dependent on the railway. The railway is part of the warp and weft of Britain's economy and investment in it is an investment in the future of Britain. It is everyone's railway. This is the basis of the document we are launching today. Please take it away with you. Read it and reflect on it. Then use it to make the Case for Rail with your contacts and in every environment - with MPs, local authorities and with user groups. Make the case with customers, passenger or freight - day in, day out - by delivering what they pay for. Use it to explain to those who do not understand the vital role the railway plays in 21st Century Britain. I hope you have found today refreshing and challenging. But it is the beginning of the next phase of the journey not the end. There is still a great deal to do if we are to make the case for rail, starting with the basics of service delivery right through to complex planning because it is Everyone's railway. There is not a moment to waste. Thank you