All-Island Strategic Rail Review - Strategic Environmental Assessment and Draft Report

29 September 2023

Summary

- Logistics UK supports rail freight as part of a multi-modal logistics system. The publication of the All-Island Strategic Rail Review identifies a much-needed vision for rail freight across the island of Ireland.
- With no freight moved by rail in Northern Ireland, and limited rail freight services in the Republic of Ireland, delivery of enhanced rail connectivity to move goods would enhance connectivity, foster economic development, increase trade opportunities, and improve environmental sustainability.
- By providing better routes between the island's ports, ensuring intermodal connectivity between sea, rail, and strategic road networks, and delivering inland facilities that serve the island's largest population and industrial areas, rail can help the logistics and transport industry make a model shift.
- To be successful, rail freight needs be price competitive with road freight. It needs to connect major freight producers and customers together in a reasonable time and key freight corridors must have the capacity to accommodate freight services and minimise conflicts with other rail users.

About Logistics UK

Logistics UK is one of the country's largest business groups, representing the entire logistics industry and supporting, shaping, and standing up for safe and efficient logistics. Our membership of more than 20,000 includes global, national, and regional businesses and SMEs spanning road, rail, inland waterways, sea, and air as well as the buyers of freight services, such as retailers and manufacturers. As an organisation, we deliver services, representation and thought leadership, helping members and policy makers to seize new opportunities for the sector and the economy as a whole, right across the country.

What we represent

Logistics is a sector delivering an increasingly safe, sustainable, and efficient system of national infrastructure – creating opportunities across the UK and linking the UK to the global trade network. Spanning land, water, and air, it delivers for everyone, everywhere, every day.

- Logistics delivers big public value on small margins, ensuring the availability of the products households, businesses and public services rely on. It moves goods more than 200 billion tonne-km within the UK per year and enables the trade of more than £1 trillion of goods, while working hard to avoid adding pressure to the cost of living.
- The sector delivers smart, green, resilient growth and jobs. It contributes £163 billion to the economy each year (12% of UK non-financial GVA), employs 2.7 million people (8.2% of the UK workforce), pays £5 billion in revenue to Treasury through Vehicle Excise Duty (VED) and Fuel Duty, in addition to other taxes. It is becoming ever more innovative and integrated – within businesses and between logistics sites and transport modes. Its key hubs provide a catalyst for further growth and investment, helping places to thrive.

- Logistics delivers for the future, as an essential system for growth. It underpins the whole economy, with an economic footprint three times larger than its direct GVA contribution, with the public sector and other private sector businesses spending 15% of their total input-related spending on logistics services per year.

Consultation response

Given the vital contribution the transport and logistics sector make to the economy on the island of Ireland, and the role of Logistics UK in supporting our members, we are pleased to respond to this consultation on the All-Island Strategic Rail Review and specifically the following recommendations in the Draft Report relating to rail freight.

"To grow the island's rail freight industry and support the freight Objectives of this Review, both jurisdictions should develop plans to:

R21 - Develop a sustainable solution for first-mile-last-mile rail access for Dublin Port.

R22 - Reduce Track Access Charges for freight services.

R23 - Strengthen rail connectivity to the island's busiest ports.

R24 - Develop a network of inland terminals close to major cities on the rail network".

Logistics UK is supportive of increasing the role of rail to enhance efficiencies and deliver a multi-modal logistics system on the island of Ireland. We are supportive of these recommendations as they:

- Align with current policies and plans in Northern Ireland, the Republic of Ireland, the UK, EU and internationally.
- They begin to help address the current deficit in rail freight on the island of Ireland.
- Enhanced rail freight opportunities, that are cost competitive, will assist the logistics industry in reducing its emissions via a modal shift from road to rail.
- Improved rail connectivity to international gateways and major cities can improve competitiveness, help boost trade and create stronger economies.
- Rail freight can reduce congestion, deliver improved and more reliable journey times, and enhance road safety.

Policy context

There are several policies, strategies and plans in both jurisdictions, in the UK, EU and internationally which support the enhancement of rail freight on the island of Ireland.

In Northern Ireland it aligns with the following outcomes in the Draft Programme for Government: *We live and work sustainably – protecting the environment* and *Our economy is globally competitive, regionally balanced and carbon neutral*. It aligns with the Climate Change (Northern Ireland) Act 2022, with the objectives set out in the Draft Green Growth Strategy published by the Department for Agriculture, Environment and Rural Affairs and Strategic Planning Policy and Transport Plans published by the Department for Infrastructure.

In the Republic of Ireland, it aligns with many of the National Strategic Outcomes set out in Project Ireland 2040 (the National Planning Framework and the National Development Plan). It aligns with the Climate Action and Low Carbon Development (Amendment) Act which commits to carbon neutrality by 2050, and the National Investment Framework for Transport in Ireland.

In the UK context, it aligns with Decarbonising Transport – A Better Greener Britian and the Union Connectivity Review by Sir Peter Hendy.

It aligns with the European Commission Green Deal Policy and, at an international level, with the Paris Agreement 2015 and UN Sustainable Development Goals.

Addressing the current rail freight deficit

As the Review highlights, there are only three existing rail freight services across the network in the Republic of Ireland connecting Ballina, Westport, and Navan to the ports of Waterford (Belview) and Dublin. The freight lines from Mayo share track with passenger services along the corridor from Mayo to Dublin, along with the corridor from Kildare to

Waterford for services to Belview. Freight services to Navan share track with passenger services between Dublin and Drogheda before continuing to Navan on a line which is no longer served by passenger trains. The competitiveness of rail freight has been significantly eroded in recent decades and volumes have fallen from c.4 million tonnes in 1981 to c.0.3 million today, which is less than 1% of modal share. In 2019, the Republic of Ireland recorded the lowest level of rail freight mode share in the European Union (excluding Member States that have no railways). In Northern Ireland there are no rail freight operations. This limited service is putting the island at a disadvantage both economically and environmentally, given the fact that rail freight produces 76% less CO_2 per tonne-km than road transport, even with diesel traction, and it can help reduce congestion and improve air quality in towns and cities.

Decarbonisation of logistics – encouraging the modal shift from road to rail

The transport sector is a significant contributor to greenhouse gas (GHG) emissions on the island. In both jurisdictions, the transport sector is the second largest single sector contributor behind agriculture. In 2019, it contributed 20% of Northern Ireland's GHG emissions, with road transport of all types responsible for 88% of emissions within this sector. In the same year it contributed 18% of total emissions in the Republic of Ireland, with road transport responsible for 94% of emissions within this sector.

As stated above, across a number of policies, strategies, and plans, both jurisdictions are working to reduce the emissions associated with transport, including a focus on enhanced rail freight services. The main policy frameworks include the Climate Action and Low Carbon Development (Amendment) Act, which commits the Republic of Ireland to carbon neutrality by 2050; the Climate Change Act (Northern Ireland) 2022, which commits Northern Ireland to reaching net zero emissions by 2050; and the Department for Infrastructure's Planning for the Future of Transport (2021), which identifies the priority of carbon reduction in the transport system and the importance of improved rail services in delivering a more integrated multi-modal transport system.

Logistics UK also notes the publication, in December 2021, of Rail Freight 2040 by Iarnród Éireann which aims to establish a sustainable rail freight business in the Republic of Ireland by increasing volumes and customers and supporting a modal shift from road to rail. In addition, we also note the European Commission Green Deal Policy which includes targets for 75% of inland freight currently carried by road to shift onto rail and inland waterways.

Rail is a key component in delivering on these legislative and strategic objectives and can help to decarbonise freight transportation by providing a low carbon alternative to fossil-fuelled heavy goods vehicles where low carbon rail is a viable alternative.

Logistics UK notes the calculation in 6.6.3 (page 66) in *Work package 3: Appraisal and Definition* of the consultation documents that "*in relative terms Freight has the potential to deliver around 100,000-200,000 annual tCO2e mode shift potential based on current factors"*. Logistics UK's research shows that one freight train can take up to 76 HGVs off the road, removing an estimated seven million HGV journeys per year. Viable, cost competitive rail freight therefore has an important role to play in facilitating modal shift and decarbonising the logistics and transport sector on the island.

Rail connectivity to international gateways

Rail connectivity to support the efficient movement of goods to and from economic centres and international gateways can improve competitiveness, help boost trade and create stronger economies.

Logistics UK agrees that rail freight has an important role in connecting key ports to the network and in developing a number of inland terminals that can work over shorter distances allowing efficient movements of goods onto customers, with the final delivery legs easier to decarbonise than long-distance truck movements.

There are also opportunities to improve the efficiency of transferring freight between rail and sea transport. As the consultation documents points out, the rail network in the Republic of Ireland can only currently accommodate Load-on/Load-off (LoLo) cargo movements, whereas some European railways can also accommodate Roll-On/Roll-Off (RoRo).

Logistics UK agrees with the assertion in the consultation documents that the types of goods being exported and imported will affect the attractiveness of rail for freight movements to ports. Determining factors include the weight or bulkiness of goods, the value of the cargo, the perishability of the goods, and the extent to which the final destination(s) are geographically dispersed or clustered. The fact that manufacturing is the biggest sector in GVA terms across the

island by a significant margin and requires some form of input such as raw or processed materials with subsequent product distribution, provides opportunities for rail freight, particularly when it involves the production of heavy, bulk goods.

Logistics UK supports the view that economic and environmental opportunities lie in strengthening rail connectivity to the island's busiest ports where links are feasible and by improving access to ports that are currently underserved by rail freight.

However, to be cost competitive, maximum use must be made of rail assets in terms of serving logistics activity e.g., distribution centres co-located with rail terminals to eliminate the need for a local road haul for the final delivery to the end-user.

Inland freight terminals

Logistics UK agrees that developing a network of inland rail freight terminals, serving the largest urban and industrial areas across the island, could enable goods to be delivered by rail for the majority of their journeys, before using road transport for the final stages of the journey. To work effectively these large multi-purpose rail freight interchange and distribution centres would need to be linked to both the rail and strategic road networks. This would enable time-sensitive goods to bypass congested sections of the road network, particularly around Dublin and Belfast, and as these sections of road tend to be in urban areas, this will also reduce the impact of HGV movements on local residents.

Greater reliability and resilience

Rail freight can offer improved opportunities compared to road haulage by avoiding road congestion and being less vulnerable to labour supply shortages. It can also help improve air quality, reduce noise, and reduce the carbon footprint of the transport and logistics sector, and provide a more reliable method for goods heading to and from busy ports.

Viability

Logistics UK supports an ambitious approach to rail freight on the island of Ireland however, future rail freight services are only likely to be viable where there is a sufficient critical mass of cargo moving (in terms of tonnes-lifted) on a region-to-region basis. We see validity in the conclusion in the Draft Report that in general, this means rail freight is likely to be competitive on corridors that support at least one million tonnes per annum of road freight covering distances above 100km.

To facilitate a modal shift, upgrades must be competitive with road freight. Logistics UK agrees that reducing Track Access Charges for freight services is needed to stimulate demand for rail freight as charges in the Republic of Ireland are much higher compared to other European railways.

Finally, Logistics UK notes that unlike the Transport Analysis Guidance (WebTAG) used in the UK, the transport investment appraisal system used in the Republic of Ireland does not quantify the benefits of lorry miles avoided through investment in rail freight schemes. If this analysis was to be included in the investment appraisal process, it would enable the benefits of rail freight schemes to be quantified in a more complete manner and assist in investment decision making processes.

Conclusion

Logistics UK supports rail freight as part of a multi-modal logistics system. The publication of the All-Island Strategic Rail Review identifies a much-needed vision for rail freight across the island of Ireland. With no freight moved by rail in Northern Ireland, and limited rail freight services in the Republic of Ireland, delivery of enhanced rail connectivity to move goods would enhance connectivity, foster economic development, increase trade opportunities, and improve environmental sustainability.

By providing better routes between the island's ports, ensuring intermodal connectivity between sea, rail, and strategic road networks, and delivering inland facilities that serve the island's largest population and industrial areas, rail can

help the logistics and transport industry make a model shift. With one freight train able to remove up to 76 HGVs from the road, removing an estimated seven million HGV journeys per year, rail freight could significantly reduce road congestion and emissions and facilitate more efficient transportation of goods giving a boost to trade. To be successful however rail freight needs be price competitive with road freight. It needs to connect major freight producers and customers together in a reasonable time and key freight corridors must have the capacity to accommodate freight services and minimise conflicts with other rail users.

While some of the 30 recommendations in the report could take up to 25 years to deliver, there are new rail freight services that could potentially be up and running within the next two years. While viability must be carefully considered, there are clear economic and environmental benefits, and it is important that investment and delivery now follows.

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