



Submission to the

Labour Party Policy Review: Transport

This submission is on behalf of Stop HS2. Stop HS2 was formed as a grassroots campaign to oppose HS2 (High Speed Two). Our online petition has nearly 50,000 signatures with many more on paper copies.

Our active members come from a wide range of political backgrounds and include trade union activists and Labour party members.

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What is HS2:

HS2 is the Government's proposed high speed rail line, which will cost £33 billion to build (2009 prices) and will join just four cities – London, Birmingham, Manchester and Leeds in a stand-alone "network". The London-Birmingham route won't open until 2026, with branches to Manchester and Leeds not operational until the 2030s.

The expected benefits are based on time on trains being wasted but it will cause massive, real environmental damage, as well as damaging the economies of cities which do not have stations.

An integrated transport policy?

HS2 is not part of an integrated transport policy. Reasonable objectives for an integrated transport policy include

- local public transport
- reduce demand for travel,
- reduce carbon emissions,

HS2, as currently proposed, is in direct conflict with all of these.

In addition, links from HS2 to HS1 and to Heathrow were not in the original plan and seem to be afterthoughts to the main design.

Local Public Transport

Spending on local transport can bring greater benefits to more people and faster than the HS2 project would. In particular, spending on local transport is necessary for people on the lowest incomes who rely on it to get to jobs and shops. It is better value for both local growth and sustainability.

Although some organizations such as Centro suggest there may be improvements to local transport near stations as part of the HS2 project, these are not costed and will mean additional spending. However these may not be the priority improvements needed by ordinary local people in the area.

HS2 is another example of spending on transport infrastructure that brings most benefits to London: transport spending on London far exceeds per capita spending on transport elsewhere in the country. As HS2 Ltd say the majority of permanent jobs will be located in London, it would seem that spending on HS2 could count as even more transport spending in London.

Reduce demand for travel

HS2 depends on a massive and long term growth in demand for long distance travel, with a further 22% of passengers using it simply because it has been built. The HS2 Ltd demand forecasts from the original February 2010 proposal suggested that demand for long distance travel would double over the next two decades. The February 2011 HS2 Ltd consultation document used a lower growth rate, but extended demand projections up to 2043, for no reason other than that is when their projected demand for HS2 will have doubled.

The demand forecasts for HS2 ignores competition from the internet and videoconferencing, which will increasingly replace long-distance travel for business purposes. If HS2 goes ahead, by the time it is operational employees in their '20s and '30s will have grown up communicating via the internet and it will be a natural part of their working lives to use videoconferencing rather than travel to meetings.

Reduce Carbon Emissions

HS2 Ltd say that operating HS2 will be carbon neutral. This is not good enough for a project that is expected to cost £33 billion: especially as it does not include the carbon emissions caused by building HS2.

The amount of modal shift HS2 Ltd is expecting is very slim: 65% of passengers would have transferred to HS2 from using conventional speed railways. Only 6% of passengers will transfer from air, and 7% from car according to HS2 Ltd. However, domestic air passenger numbers are already falling: for example Manchester-London air passengers falling by approximately 5% a year, and many of the remaining passengers transferring to another flight.

Who uses High speed Rail?

High speed rail tends to be used by the wealthiest people. According to the latest data, published 28th July 2011, the top quintile by income travels 3.5 times further by rail than the bottom quintile.¹ If fares are subsidized, then the richest people are being subsidized by everyone. If fares are not subsidized, they will be completely unaffordable by the less well off.

This excludes the cost of building HS2 which will be subsidized by the tax payer but produce no revenue until at least 2026. HS2 will not even cover its costs: the Coalition government say that it will never make a profit.

Regenerative Effects

Although HS2 is being promoted on its possible regenerative effect, and the potential to reduce the North-South divide, academic studies are divided on the regenerative effect of high speed rail. Although areas immediately around HS2 stations are likely to experience some job creation, there is concern that these jobs will not be genuinely new jobs, but relocated from areas a bit further from the station.

¹ <http://assets.dft.gov.uk/statistics/releases/national-travel-survey-2010/nts2010-07.pdf>

Further, according to HS2 Ltd, over 70% of the permanent jobs created would be in London. Although there are areas of economic deprivation in London, if the purpose of spending £33 billion is to create northern jobs, this money should be targeted where it will have that effect.

In addition, Birmingham Labour MPs have criticized plans for the depot at Washwood Heath in Birmingham, on the grounds that alternative plans would provide more and better skilled jobs sooner than HS2: the HS2 depot would have about 300 job opportunities, but other alternative plans would provide 3,500 job opportunities, much sooner than any jobs from HS2. These concerns about delayed regeneration are echoed in London along with questions as to whether whatever jobs are created will go to local people.

The HS2 documentation appears to take no account of any job losses to businesses on the route of HS2, caused by the construction or operation of HS2.

Other Environmental Costs

As well as the issue that HS2 will be carbon neutral, it will also have a number of other negative effects on the environment.

These include destruction and damage to at least 21 ancient woods, and 160 wildlife habitats during phase 1 between London and Birmingham. Splitting habitats causes problems for biodiversity, and the sustainability of wildlife populations.

There will also be the loss of amenities used by local people within cities.

For most of its route, HS2 is routed through open countryside, splitting farms and risking rural jobs, yet it still manages to cause significant damage in socially deprived areas of London, Aylesbury, Solihull and Birmingham.

Also high speed trains will use more energy than conventional trains: 65% of passengers will have transferred from conventional rail, increasing the country's energy requirements, and necessitating more power stations,

A "Grand Project"?

Some Stop HS2 members can understand the appeal of a "grand project" as a source of national pride. However, a grand project which flops is a source of national embarrassment, not pride. Around the world, other countries are scaling back on high speed projects. (Please see appendix re HSR projects in other countries.)

Summary

The current HS2 proposal has no place in an integrated transport policy. It will cause significant environmental damage, at a massive cost to the country. Benefits are uncertain, and the £33 billion project will displace other alternatives which provide targeted help to the sectors of society which need it.

Appendix:

Some countries are facing problems with their high speed railways

There are those that suggest we should build more high speed rail in the UK to keep up with other countries. Let us look at a few of them before returning to the UK.

Portugal

The Portuguese government has decided to suspend construction of its 3.3bn€ Lisbon-Madrid high speed rail link. This was debated in their parliament on June 30th and July 1st, following their 78bn€ bailout by the International Monetary Fund and European Union. Suspending this project is not a requirement of the bailout, but the idea is to guard against possible external and internal risks. Portugal's debt as a proportion of GDP was 93% at the end of 2010. In the UK the figure was 52% at the end of last year, and is now believed to have risen to 60%.

<http://www.guardian.co.uk/world/2011/jul/05/portugal-spain-rail-plan-more>

http://www.ukpublicspending.co.uk/downchart_ukgs.php?year=1900_2011&chart=G0-total&units=p#copypaste

Spain

From July 1st, Spain will be axing the high speed train running between Toledo, Cuenca and Albacete. This high speed line, which cost 3.5bn€, was opened last December; however only 9 passengers (on average) used this route per day. The failed route was costing 18,000€ per day to operate. This is one of several austerity measures intended to drastically shrink public spending and reduce Spain's borrowing costs.

<http://www.telegraph.co.uk/news/worldnews/europe/spain/8603392/Spain-cuts-high-speed-ghost-train.html>

http://en.lacerca.com/news/castilla_la_mancha/high_speed_madrid_albacete-73451-1.html

France

France's plans for TGV expansion are running into financing problems because of the recession and the country's high budget deficit. *We risk having longer and longer high-speed lines which are used less and less;* so said the president of the SNCF, Guillaume Pépy. He thinks that France is going too fast in its further construction of high speed lines. TGV fares have increased by 100% in the last decade compared to about 30% for car travel. Pépy went on to say: *The whole basis of the high-speed rail revolution – that the TGV should be the "normal" means of travel, not just something affordable by the business elite – is under threat.* The SNCF president also described the state railways as: *Decaying... facing a financial impasse... and heading for the wall.* He should know better than most.

<http://www.independent.co.uk/news/world/europe/life-on-the-fast-track-thirty-years-of-the-tgv-2265455.html>

Netherlands

Earlier this year Reuters reported: *The Dutch high-speed train operator could face eventual bankruptcy unless steps are taken to boost its viability, after little more than a year of full services.* However passenger numbers have increased, from a low of 15% occupancy on some trains, following the decision by the operator to reduce its price premium for high speed rail tickets.

<http://www.reuters.com/article/2011/02/01/netherlands-rail-idUSLDE71025P20110201>

<http://www.forexyard.com/en/news/Dutch-high-speed-rail-faces-financial-woes-govt-2011-02-01T182016Z>

Plans for a high speed line from Amsterdam to Germany (HSL-Oost) have been suspended. The scope of the project has been reduced, and the Dutch have no plans to run high speed trains on this route in the near future.

http://en.wikipedia.org/wiki/High-speed_rail_in_the_Netherlands

Taiwan

In 2009 it became necessary for the Taiwanese government to take over the running of the Taiwan High Speed Rail Corporation as it was almost bankrupt, two years after it first started running its high speed trains. One of the contributing factors to the financial problems was that passenger numbers were approximately one third of those that had been forecast.

<http://ccsenet.org/journal/index.php/ijbm/article/view/6370/6325>

Taiwan's high speed rail system is suffering from subsidence on some of its lines, which is reckoned to be between 5 and 7cm per year. It is now planning to spend US\$18bn to seal off 1000 wells to reduce further subsidence.

<http://www.freemalaysiatoday.com/2011/07/26/taiwan-to-seal-1000-wells-to-save-high-speed-rail/>

<http://www.taiwantoday.tw/ct.asp?xItem=172854&ctNode=445>

China

China has incurred a vast amount of debt during the building of its high speed rail network. The debt was estimated to have reached 2 trillion yuan (US\$304 billion) by the end of 2010. The Chinese Railways Ministry is required to pay interest of up to 120 billion yuan (US\$ 18.26 billion) each year. Apparently the railway system is currently only able to pay interest on the debt, and is unable to repay any of debt itself.

One comment reported by Reuters may strike a chord: *Professor Zhao cited the line from eastern Henan province's capital Zhengzhou to the Shaanxi city of Xi'an as the perfect example of a white elephant rail project. "It is basically empty," he said. In the first six months after its launch in February 2010, the railway reported 1.98 million passengers. It was designed for 37 million a year.*

Following some safety concerns, the speed of the trains has been reduced from 380 kph to 300 kph.

<http://www.wantchinatimes.com/news-subclass-cnt.aspx?cid=1502&MainCatID=15&id=20110301000115>

<http://www.reuters.com/article/2011/06/23/uk-chinas-railway-boom-hurtles-into-the-idUSLNE75M04520110623>

<http://www.ft.com/cms/s/0/3d859f1e-a1a1-11e0-b9f9-00144feabdc0.html#axzz1Qe9CBRd8>

On 23rd July one high speed train came to a halt after a lightning strike disrupted its power supply. The following train crashed into it as its electronic safety system apparently failed to operate. More than 30 people were killed.

<http://www.bbc.co.uk/news/world-asia-pacific-14289033>

http://www.msnbc.msn.com/id/43865656/ns/world_news-asia_pacific/

USA

In February this year, Florida's governor Rick Scott turned down a \$2bn government incentive to develop a high speed rail link from Tampa to Orlando. He believed passenger numbers to be overestimated, and that the state would have to pick up the bill for subsidies because the line would be unable to pay for itself. His decision follows very similar decisions made in Ohio and Wisconsin.

<http://www.nytimes.com/2011/02/17/us/17rail.html>

<http://www.reuters.com/article/2010/12/09/us-usa-infrastructure-highspeedrail-idUSTRE6B860B20101209>

The House of Representatives has recently voted to rescind more than \$1bn of funding previously earmarked for high speed rail to allow greater financial aid for flood relief efforts in the Midwest.

<http://www.buffalonews.com/city/politics/article490818.ece>

Brazil

Brazil wants to build a high speed rail line between Rio de Janeiro, Sao Paulo and Campinas; this includes two of its major cities. It has made three attempts to auction the rights to build and operate the proposed line, but has so far received no responses from potential bidders. Any private company taking on the work would have been expected to recoup its costs in 35 years.

<http://www.nasdaq.com/asp/stock-market-news-story.aspx?storyid=201107111526dowjonesdjonline000282&title=brazil-receives-no-proposals-for-high-speed-train-auction>

<http://www.nce.co.uk/news/transport/brazil-high-speed-rail-project-to-be-split-in-two-after-no-bids-received/8617262.article>

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United Kingdom

We only have the experience of HS1 to draw on. Some may remember that 18 Javelin carriages were taken out of service four months after the line was completed in 2009 due to low passenger usage. In April 2011 a Telegraph reporter noted there were more than 200 empty seats on a peak time train leaving St Pancras at 6:10pm. Off peak usage was described as 90% empty.

<http://www.metro.co.uk/news/824624-140mph-train-service-is-reduced-after-complaints>

<http://www.telegraph.co.uk/journalists/andrew-gilligan/8423638/High-speed-rail-Britains-first-link-hasnt-worked-as-planned-say-critics.html>

Conclusion

What can we learn from this? There is a tendency to overestimate demand for high speed rail lines. Aalborg University found that nine out of ten rail projects overestimated passenger demand, the average overestimation being 106%. Serious financial difficulties have been experienced on some of the more recently constructed high speed lines. A government with a high level of debt finds it prudent to suspend further investment in a high speed rail project.

<http://seekerblog.com/2010/08/31/high-speed-rail-inaccuracy-in-traffic-forecasts/>