

TRANSPORT SITUATION IN THE UNITED KINGDOM IN 2008

1. Traffic trends

Please provide short **qualitative** comments on the **evolution** of traffic volumes of the various modes of transport in your country in 2008 and the **prospects** for the forthcoming years. You may also wish to provide a short description of emerging transport **trends** in 2008 in your country.

Full information on traffic volumes for 2008 will not be available until 2009. An annual statistical report is published with details of traffic trends, but is not yet available for 2008.

Rail transport

| | 2007 | %-variation compared to previous year | 1 st half 2008 | %-variation compared to previous year |
|---|---------|---------------------------------------|---------------------------|---------------------------------------|
| Freight (in tkm ¹) total | 14.0 bn | -3.0% | 10.7 bn | -1.5% |
| international | n/a | n/a | n/a | n/a |
| transit | n/a | n/a | n/a | n/a |
| national | n/a | n/a | n/a | n/a |
| Passengers (in pkm ²) total | 48.3 bn | 5.9% | 25.1 bn | 7.0% |
| international | n/a | n/a | n/a | n/a |
| transit | n/a | n/a | n/a | n/a |
| national | n/a | n/a | n/a | n/a |

2. Obstacles to the development of transport

Please provide **information** on main **problems** that have hindered the development of transport in your country during 2008 such as, for example, the impact of high fuel prices and credit crunch on transport & logistics firms. Please describe any measures taken to alleviate such problems.

3. Best practices in transport and infrastructure regulation

Best practices in addressing transport problems through regulation in your country may serve as a model for other countries. Please indicate the **main successful regulatory and infrastructure developments** implemented or under implementation in 2008 which have

¹ tkm = tonne km

² pkm = passenger km

significantly improved the efficiency, safety and/or environmental performance of the transport sector in your country.

Freight: (neither regulatory nor infrastructure) - In 2008 we extended the scope of the programme to include development of Freight Best Practice for rail and water modes. (Until this year the focus was almost solely on road freight). Information about our programme is available on the internet. We also support mode shift from road to rail and water through targeted grants.

Rail

The UK believes that a strong, independent Rail Regulator is crucial in promoting and ensuring an effective and fully open rail market.

On 30 October 2008 the Office of Rail Regulation (ORR) published their determination of the GB Infrastructure Manager, Network Rail's (NR) outputs and its funding from access charges and other sources for the period 1 April 2009 to 31 March 2014. ORR played a crucial role in determining the appropriate outputs, revenue requirement and access charges.

*As part of the periodic review ORR, which started in 2005, ORR determine the outputs NR must deliver to out perform their determination, whilst delivering required improvements in train performance, safety and as part of the periodic review ORR, which started in 2005, ORR determine the outputs NR must deliver to out perform their determination, whilst delivering required improvements in train performance, **and** safety.*

The attached presentation highlights the programme of major rail investments that the UK has embarked upon.

Aviation

The UK Government launched a review into economic regulation of the UK airport system in April 2008. The UK believes that economic regulation can play an important role in maximising the effectiveness of scarce capacity at airports in the South East of England, for example by providing the right incentives to deliver necessary investment and ensure that the owners of UK airports are able to finance that investment. The review which will be supported by a panel of experts will consider how best to provide incentives to:

- improve the passenger experience;*
- encourage appropriate and timely investment in additional capacity to help deliver economic growth in line with wider Government policy;*
- address the wider environmental impacts of aviation on airport development.*

With regard to transport infrastructure, please highlight major developments concerning **"E" networks**, provide the latest available information on **infrastructure investments** in terms of % of GDP in your country, and describe the measures taken in 2008 aimed at **promoting infrastructure investments** (targeted taxes, road funds, regulatory reforms to encourage private investment,....) which could also be of interest to other countries.

A programme of major investments

- Channel Tunnel Rail Link (High Speed 1) £6.5 billion
- Kings Cross Station redevelopment £1 billion
- West Coast Main Line renewal
(London-Birmingham-North West and Scotland) £8.5 billion
- Thameslink (north-south London cross link) £5.5 billion
- Crossrail (east-west London cross link) £15.9 billion
- Extra local/regional trains over next 6 years £2.6 billion
- New Inter-City Express trains £3.5 billion