

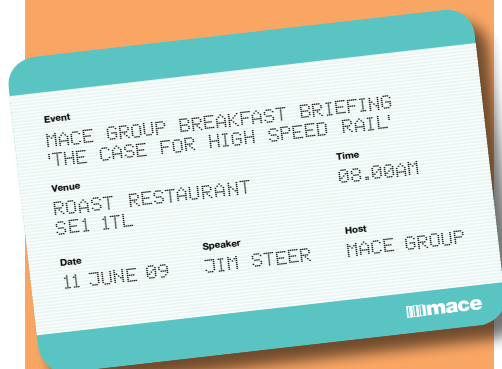
TRANSPIRE

QUARTERLY TRANSPORTATION UPDATE FROM MACE GROUP



Welcome!

Welcome to issue 2 of **Transpire**, the quarterly newsletter from Mace Group's dedicated transportation team. This month taking our cues from Jim Steer's talk at our June breakfast briefing, we take a look at high speed rail in the United Kingdom, an area of policy which promises a truly 21st century rail network. But in these difficult economic times how realistic is it? Dean Benson looks at the obstacles and opportunities.



Breakfast Briefings

At Mace Group we've always believed there's nothing like the power of collaboration and our breakfast briefings are always great opportunities to meet up with like minds from across the industry and share ideas. Our June briefing brought together over 60 key players from across the rail industry. If you're interested in attending our next briefing drop us a line and we'll ensure that you're invited:

transport@macegroup.com

Reaching out

Public engagement will be critical to getting a head of steam under High Speed 2, says **Dean Benson**

For major national infrastructure projects, the economic downturn has created something of a paradox. Both government and opposition parties are talking about commitments to the stimulative effects of large scale investment, and yet at the same time the public is slowly becoming aware that its taxes will be stretched to breaking point over the medium term, with a likelihood of increased and heated debate about which projects get funded. Hospitals? Schools? High speed rail?

At first sight there are encouraging signs of a new cross party consensus emerging on the issue of high speed rail in the UK, where parties of all stripes have begun to see the strategic benefits of running a network of fast trains from London, through Birmingham, Manchester, Edinburgh and beyond. Passengers have had a taste of this bold new rail future when taking the Eurostar from St Pancras to Paris. But will this foretaste be enough to bring all stakeholders on-side?

The signs are mixed. Recent pronouncements emanating from the Bank of England and senior economists suggest that whoever is running UK plc for the next 5-10 years will face debt at over 70% of national income, and face considerable pressure to reduce the deficit. This augurs rather ill for projects which might be headed by the phrase "nice to have, but hardly essential" once the predictable funding battles get going within government. High speed trains or hospitals? High speed trains or schools? But the situation is far from hopeless.

With the UK economy already in an uncertain new phase, the public could be persuaded that the stimulative benefits of rail infrastructure upgrades are a good reason to push forward. High Speed 2, as proposed by Greengauge 21 would represent a considerable boost to employment, perhaps reviving some domestic rail based industries that we haven't seen for decades. From track to stations, from retail to train manufacture, from power plants to construction work, there are countless sectors which would gain from large scale investment in rail.

The benefits go beyond this however.



A Hitachi Bullet-style train at Ashford Train Maintenance Centre, a project completed by the Mace transport team

Greengauge 21



“High-speed rail has created an exciting opportunity to tackle major infrastructure needs in a better way, with cross-party support for staged implementation of a long term strategy: less carbon, less congestion and a tremendous economic stimulus.”

Jim Steer



Find out more about
Greengauge 21:
www.greengauge21.net

Research figures from Greengauge21 research show that over the next 10 years aviation and petrol engine cars will struggle to reduce their carbon footprints even assuming hybrid car engines become common, and that airlines buy more fuel efficient jets. By contrast, when running at high occupancy levels, trains on high speed rail networks offer a considerable carbon-price saving. By 2020 rail journeys would generate one eighth of the carbon of the same trip by air. Polling statistics show that once rail journey times dip below 3 hours rail becomes the preferred mode of transport to air - a clear environmental achievement.

This combined approach has been taken up by President Barack Obama of the USA who recently launched an initiative to create a high speed rail network across the States, a country where rail of any speed has been neglected for decades thanks to the power of the car lobby and the lure of low-price petrol. The justification there is as similarly broad as it would need to be here: create jobs, save the planet, all whilst boosting economic growth.

One of the biggest hurdles then will be managing to keep these messages together, ensuring their impact is jointly sustained in the minds of the public as the project gains momentum. There's

a way to go before we reach that public acceptance. One of the first hurdles will be to establish widespread understanding that the real justification for the High Speed 2 isn't speed at all, it is capacity. The network simply cannot accommodate any more passengers. The extra journeys per day that High Speed 2 would facilitate represents a big upswing in potential passenger numbers. Speed is nice, but somewhere to sit during a shorter journey is nicer still.

The current UK administration has managed to garner praise for its long term commitments to funding for schools and the NHS, but on most counts has never really delivered a vision for the future of rail. High Speed 2 offers the chance to make a start, and it may gain a head of steam from the unlikely source: the current economic crisis and the perceived value of "big ticket" projects to offset the country's financial woes.

But whatever it takes to finally get High Speed 2 rolling, everyone in the industry from lobbyists to rail infrastructure firms, from construction companies to rolling stock makers will need to forge a united front and engage with the public directly on the benefits that come with taking this once in a lifetime opportunity.

To find out more about how Mace Group's transportation team can help your project, get in touch or visit us on the web:

www.macegroup.com/transport

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