



**Western Development Commission**

**WDC Submission to  
Consultation on  
Rail Freight 2040 Strategy Design**

**to**

**AECOM**

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Western Development Commission  
Dillon House  
Ballaghaderreen  
Co. Roscommon  
Tel: 094 986 1441  
Fax: 094 986 1443  
Web: [www.wdc.ie](http://www.wdc.ie)

# **WDC Submission to Consultation on Rail Freight 2040 Strategy Design**

## **Introduction**

The Western Development Commission (WDC) is a statutory body established by government to promote and encourage economic and social development in the Western Region<sup>1</sup>. It operates under the aegis of the Department of Rural and Community Development and Minister Heather Humphreys. The WDC works in co-operation with national, regional and local bodies involved in western development to ensure that the Western Region maximises its full development potential. The Western Development Commission (WDC) welcomes this opportunity to submit its views to the Consultation on Consultation on Rail Freight 2040 Strategy Design.

Enterprises in the Western Region, located on the western periphery of Europe, require quality transport links to serve their clients and suppliers, most of whom are located outside the region and many are located outside the country. While there have been improvements to parts of the road network, much of the motorway developments have occurred in the South and the East of the country. There is no motorway north of Tuam and the M4/M6 Dublin-Galway route. There have been bypasses and road improvements but journey times to/from the West can still lag behind those from other locations of similar distance.

The rail network extends to Sligo in the North West and Mayo and Galway in the West. Three of the four rail freight services operated in Ireland at present start or finish in the Western Region, at Ballina and Westport in County Mayo, generating up to 1-2 trains each way per weekday.

All of the significant rail freight movements in Ireland originate in the West and North-west, partly related to the distances involved from origin to port, as well as the presence of rail freight facilities. From a regional development perspective, the availability of rail freight as a transport option (with its low carbon footprint compared to road haulage) could provide regional advantage in attracting new enterprises with a need for high-volume, environmentally sustainable transport solutions. The WDC is keen to see the role of rail freight expanded as a low carbon transport mode for businesses across the Western Region.

In 2015, the WDC commissioned a study to investigate the potential for new rail freight traffic to and from the Western Region and to examine the extent to which new rail freight traffic might emerge if policy instruments change to support a greater modal shift to rail freight. This report is available for download [here](#) and the findings form the basis for this Submission. Though the study was conducted a few years ago the context remains similar and the policy recommendations are all still relevant.

## **Context**

The Irish Government wishes to de-carbonise the economy, with transport representing a major contributor to energy consumption and emissions. the need for modal shift as part of the response

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<sup>1</sup> Counties Donegal, Sligo, Leitrim, Roscommon, Mayo, Galway and Clare.

to reducing carbon emissions by 80% by 2050. Whilst expansion of the road network may help improve capacity and reduce journey times for road haulage, each tonne km generated by road haulage will still create three times more emissions compared to that for rail freight.

Irish Rail has made considerable progress in developing a plan to trial longer trains (with up to 50% greater capacity) within the next six months. Track access charges have also been reduced though further reductions are likely to help grow traffic.

## **WDC Rail Freight Study**

The WDC study findings see [here](#) indicate that after decades of decline, rail freight services in Ireland are showing signs of growth. Following the Covid crisis and assuming continued growth in the economy and associated freight transport activity, combined with efforts to improve the efficiency of rail freight and with increasing pressure to reduce carbon emissions, rail transport should become more attractive to business and help public policy objectives for decarbonising transport.

If measures to further enhance the rail freight offer are in place within the next few years, modal share could then move further towards the current 19% EU average in the longer term. An 8% mode share could in turn yield an estimated 6% net reduction in CO<sub>2</sub> emissions from road haulage, against a Government forecast of a 12-22% increase on current overall levels of emissions. Rail would then make a meaningful contribution to reducing growth in emissions from the transport sector, more than any equivalent initiatives in road haulage might achieve in the same timescale.

In terms of demand for rail freight in the Western Region, analysis of the current road haulage market (22 million tonnes) indicates a significant volume of traffic (2.5 million tonnes) which could be (or already is) addressed by rail. The assessment of demand is robust and conservative, given it largely excludes bulk commodities moved over relatively short distances, where rail already provides a commercial service (ore exports from Navan to Dublin Port). It also reflects the relatively small coverage of the national rail network compared to other parts of Europe with higher rail mode shares; Scotland has a similar land mass, population and freight market, but with a rail network 44% larger than in Ireland, a road network 42% smaller and a 14% mode share compared to Irish Rail with less than 1%.

The major challenge for securing more growth is likely to be more about resource constraints (traction, rolling stock, staff, terminal facilities) than demand; greater private sector involvement will be needed to help ease such constraints, accelerating investment in new locomotives, wagons and rail freight interchange facilities.

In terms of key sources of new traffic, Irish ports (42 million tonnes handled through Dublin, Shannon Foynes, Cork, Rosslare and Waterford) have and will continue to be critical to rail's prospects. Ports provide key nodes where international trade can be concentrated into trainload quantities, but without the need for significant levels of intermediate road haulage between quayside and railhead, which can impact on the overall viability of a rail-based offer. Distance between ports and inland centres of demand, combined with quayside and hinterland road congestion, create logistical challenges by road which then create opportunities for rail. It is no surprise therefore that all the current rail freight services in Ireland start or finish at a port.

Beyond the ports, other flows of bulk and non-bulk traffic can be identified which either previously moved by rail in Ireland, or which (based on interest and experience in other EU countries) could also be moved by rail. The healthcare manufacturing sector shows considerable potential for moving products to ports, using ambient and/or temperature-controlled containers as required.

### **Recommended Actions – Iarnród Éireann**

The level of potential demand is significant, but in order to unlock the traffic, Irish Rail will need to continue work towards making rail “irresistible” against road haulage in its target market. This will need:

- Marketing effort to raise awareness about the opportunities for end customers to use rail;
- Identifying key customers to anchor new trainload services, working in collaboration with logistics companies and ports to provide a seamless end-to-end service;
- Greater flexibility in piloting new services, for example the option of loading trains on the main line where possible, to avoid the need to create new railheads before a service can be trialled;
- Increasing efficiency through longer trains, improved traction, rolling stock and working practices;
- Infrastructure enhancement, such as new / extended passing loops to allow longer trains to be operated over a wider part of the network, along with new railheads to tap new sources of traffic;
- Working with the public sector (eg IDA) to help attract more major new customers to locate in Ireland on rail-linked sites, using rail as the natural choice for high-volume import and export flows.
- Further reductions in track access charges.

Demand for new rail freight services comes at the end of a period of continued under-investment and rationalisation of rail freight infrastructure and rolling stock. To assist Irish Rail unlock a reasonable but substantive level of new traffic (and associated direct / indirect benefits to the nation), the Government needs to invest in accelerating the onward rebuilding of the rail freight business, in terms of longer / faster trains, use of the rail network at night, a bigger fleet of traction and rolling stock.

As traffic grows, Irish Rail will need more locomotives, wagons and traincrew. Rail freight services also need tracks to run on, timetable paths to run in, and railheads to interchange freight with other modes of transport and facilities such as factories and warehouses. The current network has a finite capacity, so in order to grow the level of traffic (and the length of trains), investment in the rail network will need to start soon and ramp up considerably in the years that follow.

## EU and Irish Government Policy

Rail freight not only delivers direct commercial and operational benefits to end users; the transfer of freight away from road transport and the highway network also yields wider indirect / societal benefits. The hierarchy of public policy, starting with the European Commission, therefore regards public policy support for rail freight (and mode shift of freight away from road) as an entirely legitimate exercise.

Whilst most of the investment would be expected to come from Government, there is also a role for EU funding as well as leveraging in private-sector investment, particularly in creating more rail-served ports, factories and inland distribution parks. In the UK a network of Strategic Rail Freight Interchanges (SRFI) has been largely led by the private sector, with several billion pounds invested in modern interchange facilities, which in turn have spawned over 30 new freight trains per day and brought major customers such as Tesco to rail for the first time with significant volumes of traffic.

The urgency and scale of the low-carbon challenge, where transport is as great a contributor to greenhouse gases in Ireland as the entire energy sector, will need rail transport to play a much greater role if national targets are to be met and sustained. The European Commission is keen to invest considerable sums in Member States that wish to promote rail transport (as demonstrated by the recent success for Ireland in the first round of the Connecting Europe Facility programme), which should form another material consideration in any national investment programme.

If Irish Rail and the wider ports and logistics sector can demonstrate the emerging commercial and environmental potential for rail freight, public policy and investment will then need to support the role that rail can, in turn, play in supporting public policy objectives (e.g. economic growth and decarbonisation). Public policy needs to address the following:

**An over-arching policy framework for logistics and rail freight**, which sets a multi-modal context for supporting the wider economy, as well as being a strategically-significant economic activity in its own right – as without logistics, the economy would quickly grind to a halt;

Placing rail in its correct context within this wider policy framework, complementing the maritime and road haulage sectors, would then provide further confidence and credibility, neither placing rail on a pedestal as a universal panacea for transport / emissions solutions, nor condemning rail to a declining legacy role from a perceived bygone era. The policy should identify where funding may be needed, and Government should support capital investment where required.

There will be a need for major investment in the rail network itself to accommodate growing numbers of longer / taller freight trains. A **strategic rail freight network investment programme** needs to be developed by Government as an output of wider policies on logistics and railways. This programme should set out a sustainable case for such long-term investment, on the basis of direct benefits (e.g. increased freight track access charge income and general taxation, opportunities for running longer / higher-capacity passenger trains) as well as wider societal and indirect benefits, from attracting new inward investors, through to reductions in road traffic growth and associated socio-economic and environmental impacts.

The ports of Dublin and Waterford have helped achieve the recent renaissance of rail freight. Government therefore needs to help **safeguard and/or reinstate rail access to ports** in Ireland

(including Shannon Foynes, Rosslare, Cork and Galway) to reduce potential congestion and/or over-dependency on Dublin. Interconnecting the ports by rail would also assist with the repositioning of empty containers. Brexit implications should also inform where investment occurs, especially in the context of the needs of the economy of the region of the West/NorthWest.

Similarly, bringing the customers and the railway closer together will require new access points for freight (including temporary sites for market testing or proof of concept). Public policy should **safeguard and encourage development of new rail freight interchanges** within larger investments (eg port expansion, major new industrial and distribution developments). Such facilities not only add value in terms of end user amenities, but can then in turn allow the costs of the additional rail infrastructure to be incorporated into a larger business case more capable of absorbing the extra costs (or providing a focal point for justifying public sector support).

The WDC welcomes the work undertaken by AECOM and Iarnród Éireann and would be happy to engage further on various issues raised and the work being undertaken by the WDC. If there are any queries in relation to this submission please contact Deirdre Frost, [deirdrefrost@wdc.ie](mailto:deirdrefrost@wdc.ie). For further information please access the WDC Rail Freight report at the link [here](#).

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