

INFORMED SOURCES e-Preview February 2016

Well, if 2016 is going to carry on like this for the remaining 11 months it's going to be a very busy year here at Informed Sources Central. One of the aims of this column is to be ahead of the news – the title of the pilot back in 1982 – so there is always the risk that a story will go 'official' just as I am about to send the Editor an item based on inside information. That happened this month with the lead story on smart ticketing

Smart ticketing in transition  
Alstom coy on proposed new factory  
HS2 – starting to impact the working railway  
RDG warned on political lobbying

Back in May 2015 I got the first sniff that the Department for Transport's much delayed, incompetently managed, South East Flexible Ticketing (SEFT) scheme was in a deep stall. As the year went on, there were further signs that SEFT wasn't going anywhere and in November DfT admitted that a review of the initial proposals, with the target of making smart tickets available across the south-east by the end of December 2015, 'had led to a refocused and enhanced programme with a wider geographic scope and an improved technological approach'.

In line with Hutber's Law that 'improvement means deterioration', 'refocused and enhanced' is a euphemism for 'binned'

With SEFT dead, the immediate question was how DfT would try to cover up the smell from its rotting albino pachyderm. We didn't have to wait long. In the New Year's Eve edition of the Daily Telegraph, the headline on the front page lead story declared 'End of the line for train tickets'. According to the paper's Consumer Affairs Editor 'As soon as next year, rail users will be able to "buy" journeys on line using a computer or mobile phone and then travel carrying just the credit or debit card with which they paid'.

Ticketing

So I wrote a detailed piece explaining how contactless ticketing, as opposed to Transport for London's contactless payment, would work and the technical and operational challenges. And the day before I was due to send it off to the Editor Transport Minister Andrew Jones revealed DfT's new strategy for smart ticketing which had inspired the Telegraph report.

Most of the speech was about plans for the nine city regions in DfT's Smart Cities Partnership (SCP) and the proposal by the five biggest bus operators to provide contactless travel for 'every bus in Britain' by 2022. Rail's role in this revolution was a bit less specific.

According to Mr Jones, the railway industry 'has agreed a tranche of funding and a new framework to explore how contactless payments could be introduced for season tickets or long-distance train travel, so passengers no longer have to print-out tickets'. Note the obsession with getting rid of paper tickets.

This new framework will 'look specifically at the benefits that could be offered by three different contactless transit models'. Models 1 and 2 are what TfL does already. Model 3 is the technically challenging bit.

For those into abbreviations and want to be hip, try dropping in CAATT – and, no, I haven't worked out how to pronounce it either. It stands for Card as Authority to Travel and covers pre-purchased tickets.

Unlike an ITSO compliant smart card, a credit or debit card is not designed to hold ticketing data. So with CAATT, when a ticket is bought online, the card used to purchase the ticket is 'associated' with a virtual ticket stored in a back office system. When, on the day of travel, you tap in your contactless card at the gate-line, the gate reader will check with the back office for tickets associated with your card and the location and let you through if there is a valid ticket for a journey from that station.

Model 3 is seen by electronic ticketing wonks, politicians and even the Rail Delivery Group as providing a superior 'experience' to the classic printed orange card ticket with data encoded on a magnetic strip which can be read by gates.

But I reckon that in the real world, the virtual ticket associated with your contactless card makes life harder.

For a start, neither you nor ticket inspectors can see your virtual 'ticket'. And what about reservations?

Anyway I run a number of real world scenarios and invite reader to come up with examples where contactless is more, or less, practical than the orange mag-stripe. Perhaps it's time for a Campaign for Paper Tickets (CAPT) – or am I just showing my age?

Alstom back in the hunt

Here's another story that required up-dating at the last minute. It started as a short piece on Alstom's application for planning permission to build a new factory alongside the Crewe – Liverpool line at Hale Fields, Widnes. Described as 'a purpose built transport and technology facility', the site would be developed in three phases.

Phase 1 would be needed to accommodate Alstom's current operations at Preston, where the lease on the site expires in 2018. Preston is still an Alstom centre of excellence for traction motors and drives.

Two thirds of the Phase 1 facility is allocated to production and warehousing, but it also includes a 400m long train shed with two bays identified as 'modernisation bay' and 'bogie and raking'. This suggests that Alstom is still eyeing the market for upgrading and re-tractioning ex-British Rail electric multiple units for continued service operation beyond 2020.

So having analysed and written up the Widnes proposal, two days before press day I was getting on with the next item when MerseyTravel published the shortlist of bidders for its Class 507/508 EMU replacement programme. And there, tucked away among the usual suspects was a consortium led by Japanese bank Mitsui. The other members were I-TREC – the train building arm of IR East of Japan – and Alstom.

As ever, Alstom was coy when I asked for the rationale behind the consortium. But they did explain that their role would be to maintain the new fleet and, of course, Alstom Traincare's Chester depot, where they maintain the Class 175 DMUs fleet, would be handy for Merseyrail.

I'm not sure how supporting the possible entry of another Japanese manufacture into the UK market helps Alstom's own aspiration's to start supplying trains again. But for the moment these are centred on London Underground.

Thankfully it was not until after I had sent Informed Sources off to the editor that Transport for London announced that it had issued the Invitation to Tender for the New Tube for London (NTfL) contract for trains to replace the current fleets on the Piccadilly, Waterloo & City, Bakerloo and Central lines.

Alstom is also one of three companies shortlisted for TfL's procurement of trains to augment the Jubilee and Northern Line fleets. I'm still waiting for TfL go get back on that one which seems to have gone into hibernation. Hopefully more next month

#### HS2 affecting ICWC franchise replacement

Up to now Informed Sources has been an HS2-free zone. This has been a deliberate decision, since covering the development of High Speed 2 with the rigour readers expect would mean that reporting and analysis of the quotidian railway would suffer.

But now HS2 is starting to affect the everyday railway. In November, DfT's latest update of the Rail franchise schedule revealed that the start of the replacement Intercity West Coast (ICWC) franchise had been deferred, again, from September 2017 to April 2018.

This delay was because DfT can't issue the ITT for ICWC until the likely risks from HS2 can be quantified. And as the latest HS2 Command Paper 'High Speed Two: East and West. The next steps to Crewe and beyond' shows, there is a lot of operational detail still to be nailed down.

With the replacement ICWC franchise DfT's Rail Executive is in a double bind. How can you write an ITT when you don't know what is happening with HS2 and don't expect to find out any day soon?

Extension of the current Direct Award with Virgin has bought another six months, but this is unlikely to be enough. For starters, any franchise let in 2018 is going to have to cope with Phase 1 of the HS2 Euston redevelopment.

In addition to managing services through this disruption, DfT's Rail Executive will want the replacement franchise to maintain the commercial drive to sustain passenger growth ready for when HS2 Phase 1 increases capacity and cuts journey times from 2026.

But, someone has to be responsible for planning and managing this transition. Since the post 2026 HS2 service is predominantly about destinations beyond the new line, the way to reduce risk and ensure a smooth transition is continuity of operator. In other words, the replacement ICWC franchise should include planning, introducing and running the Classic Compatible HS2 services.

#### Options

I can see that going down well with HS2, not to mention some readers! But consider the options for the replacement ICWC franchise. Managing risk, and risk is expensive, would dominate an eight year franchise starting in 2018, and you still have to find someone to come in and run the Classic Compatible services which will represent most of HS2's initial traffic. However, a 12 year franchise would counter-balance the risk with a reward in the form of the new commercial opportunities following a smooth transition in 2026-27.

What about the 'captive' London-Birmingham high speed service? Politically, and practically, 2026 has to deliver an all singing all dancing buzzers and bells new high speed railway that will be the envy of the world. This will be the responsibility of a separate franchise or concession.

So you can see why I have got involved. The ITT for the replacement ICWC franchise is scheduled for November this year. Some bold decisions are going to have to be taken by then. And the safe option is not an option.

#### RDG's political lobbying curbed

During last year's party conference season, the Rail Delivery Group was sending out 'thought for the day' e-mails to the media. A typical headline was 'Labour rail renationalisation vote - industry responds.'

This drew the attention of Labour's Shadow Transport Secretary Lillian Greenwood. She wrote to Department for Transport Permanent Secretary Philip Rutnam pointing out that Network Rail is part of his Department and funds RDG to the tune of £1.3 million a year. Was it appropriate, Lillian asked, that public money was helping to influence the political debate around rail ownership, particularly 'in co-ordination with operating groups who have a private interest in this area of policy development'?

After two months of 'careful consideration', and following constructive discussions with the RDG, Mr Rutnam replied. A 'communications protocol' has been adopted 'which balances RDG's critically important leadership role in providing a collective voice for the rail industry with ensuring political impartiality in its communications activity'.

As you might imagine the new protocol is a wonderful bodge. In future RDG will be allowed to differentiate between speaking on behalf of all its members, which excludes all the people with a serious financial stake in the industry like train manufacturers and the ROSCOs, or for train operators only.

Totally bonkers and impossible to police. But you can't fault the logic of this new approach. A fractured voice for a fractured railway.

Meanwhile here's a pro-forma letter to help things along

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RDG template letter to Modern Railways

'Dear Editor, we wish to correct the views expressed by Roger Ford/ Alan Williams/Ian Walmsley (delete as applicable) that rail privatisation has been a (insert offending passage). We are speaking on behalf of: the whole industry/Franchised Train Operators (UK based)/Franchised Train Operators (European State Railways)/Open Access Operators/Freight Train Operators (delete as applicable).

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#### Breaking news

Too late to analyse for this month, on 21 January Network Rail released the draft of its up-dated Enhancements Delivery Plan (EDP) incorporating the findings of Sir Peter Hendy's report.

Readers will recall that I downloaded the 'wrong' version of Sir Peter's report which showed electrification to Oxford not completed until Control Period 6 – that is after 2019. This version was removed from the Network Rail website after 15 minutes and replaced by the 'right' version which showed completion in CP5.

Now we have the EDP update and guess what it says on Didcot-Oxford? 'First timetabled public use of the infrastructure CP6'.

So it looks as if the 'wrong' report was really the 'right' report after all.

#### Roger's Blog

As usual January was a quiet month in terms of visits and meeting, which is lucky given everything that has been going on. But I've still had time to write my next feature article which is awaiting the final edit and will, hopefully, appear in the March issue.

Talking of final edits, back in the electro-mechanical era, I could sit down and write a 3,000 word article straight off. Then electronics arrived and the rot set in when my desk was filled with a black Olivetti golf ball electric typewriter with enough memory to store 3000 words plus limited editing capabilities. The memory was volatile, but then came a module which meant I could transfer an article to a 5 ¼ inch floppy drive.

And now I have a word processor which means that the accuracy of my typing has gone to pot. I now write articles much faster, but then have the luxury of infinite editing and polishing. I can't be sure, but I think the standard 3000 word article takes the same time to produce but, I hope, the end product is much more polished and concise. It also means that when a late news story breaks I can just insert new material instead of having to copy type most of the article again.

Meanwhile next week is the Rail Delivery Group's annual conference – and yes, I have been invited. Behind the scenes RDG does some good work and it will be interesting to catch up. The week after that there's a Rail Freight Group function. And there are various research meetings I need to set up in the coming weeks.

So, a belated happy New Year and now it's time to start analysing that 170 page EDP update and start diving deeper into HS2.

Roger