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21/02/1989

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03/10/1989

FILE TITLE

FORESTRY 1

SEPT. 88 - NOV 91

1/2

# CABINET OFFICE PAPER

The following Cabinet Office papers have been taken off the file. If you require access to these papers please contact the Cabinet Office.

Reference	Date Of Paper
E(A)(89)16 Copy 12	18 MAY 1989
MISC 139(89) 2 Copy 5	



*PLP*

DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB

My ref:

Your ref:

The Rt Hon Sir Geoffrey Howe QC MP  
Secretary of State for Foreign  
and Commonwealth Affairs  
Foreign and Commonwealth Office  
Downing Street  
LONDON  
SW1A 2AL

CH/EXCHEQUER	
REC.	18 NOV 1988
ACTION	
COPIES TO	
	18 NOV 1988

*Dear Secretary of State*

**LORRY WEIGHTS**

I am writing to warn you and my other colleagues in OD(E) that I am coming under intense pressure to move into line with the rest of the European Community on lorry weights. The Commission's proposals are highly unpopular in Parliament but, as the following paragraphs show, we are in a particularly difficult position.

In 1985, we (and the Irish) argued successfully that the condition of our bridges justified derogations from the EC Directive now in force on 5- and 6-axle lorries - which form the bulk of international road haulage traffic. The main derogations provide for:

- a. a maximum gross vehicle weight of 38 tonnes, against the EC-wide norm of 40 tonnes;
- b. a maximum weight for drive axles of 10.5 tonnes, when the EC limit (from 1992) is 11.5 tonnes;
- c. a maximum draw-bar combination weight of 32.5 tonnes (so as to discourage their use).

Although there is no specified time limit on these derogations, it has always been apparent that they would have to end some time, although I believe that those concerned with the matter in the House of Commons think the derogation could last for the indefinite future. The Commission is in fact charged with making recommendations about when the derogation should end. A Commission report is now almost ready for submission to the Council. We have seen the report in draft. The report is unacceptable. It proposes solutions (lorry routes and weight restrictions on bridges) which are impracticable. It recommends that the UK derogations should end by 31 December 1992, while allowing the Irish derogations to continue to 1995. The Irish have already indicated that they are likely to accept this recommendation.

As the derogations are made under Article 75(3) of the Treaty, which provides for unanimity in the Council, we are at first sight in a strong position to resist proposals for change. But this is unfortunately misleading. In the light of the Commission's report, the Council might not accept that it was still appropriate to apply Article 75(3). In that case, the UK would be left to challenge such a decision in the European Court of Justice, where we would be likely to lose.

Furthermore it is most unlikely that other member states will agree to Article 75(3) for proposals currently before the Council to cover smaller lorries (ie 2, 3, or 4 axle). We could therefore be outvoted on them. If carried, these proposals would completely undermine our current derogations on axle-weights - which are the most important for protecting the condition of our roads and bridges.

My immediate objective is therefore to avoid any discussion at the December Transport Council which would bring the issue of our existing derogations to a head. At the same time I shall seek to extend the drive axle derogation to cover smaller lorries as well. It is self-evident that this will not be easy. I am seeing Stanley Clinton-Davis on 21 November to find out more about the Commission's intentions on handling and timing of the report. He is in no doubt about the sensitivity of this issue for the UK.

We need to look at the longer term as well.

Very soon, probably at the first Transport Council under the Spanish Presidency in March, I shall come under very heavy pressure to agree that the existing derogations should end by 31 December 1992. I shall of course stand as firm as I can. However, unless the issue was considered sufficiently serious to justify invoking the Luxembourg Compromise and all that that entailed, we ought, I think, to consider whether any compromises would be acceptable to Parliament. The possibilities include:

(a) ending our derogations after 10 years, when a good deal of the trunk road bridge strengthening work should be done. But we have no means of ensuring that local authorities, who have the vast majority of weak bridges, will have got so far with their strengthening work, and a period this long is almost certainly unacceptable to other member states;

(b) accepting an early increase (1992) to 40 tonnes in gross weights, but keeping the drive axle at 10.5 tonnes for long enough to complete most of the bridge strengthening. The political difficulty here is that it is the 40 tonne limit rather than the axle weight which causes most of the controversy: there are also the problems that such an arrangement would be very difficult to enforce, and we

have no means of ensuring that local authorities would strengthen their bridges at any particular speed.

(c) accepting increases for certain types of "friendly" suspension (which might mitigate the effects on bridges and roads of the extra weight).

When the report is published there may be advantage in arranging an early debate in Parliament. This will enable us to judge the mood of the House. Preparing the ground carefully should make it possible to present any concessions I subsequently achieve in the best possible light.

I should add that there is a separate Commission proposal to increase the maximum lorry length by one metre. This is at least as controversial as lorry weights, and the two issues can become confused. On lorry lengths my clear objective is to resist the proposal on political and environmental grounds, including safety.

At the moment there is a blocking minority against increasing lorry weights but it is extremely fragile. At a poorly attended late night Scrutiny debate on 14 November there was strong and unanimous opposition to the proposal.

I am sending copies of this letter to members of OD(E) and to Sir Robin Butler.

*Yours sincerely*

*J. R. Cusker*

*Private Secretary*

*(approved by the Secretary of State  
and signed in his absence)*

PAUL CHANNON



FCS/88/211

SECRETARY OF STATE FOR TRANSPORT

CH/EXCHEQUER	
REC.	5 DEC 1988
ACTION	MR REVOLTA
COPIES TO	PMG
	MR LAWRESTER
	MR PHILLIPS
	MR RIG ALLEN
	MRS CASE
	MR HOUMANN
	MR TYRIE

S/12

Lorry Weights

1. Thank you for your letter of 18 November. I share your concern.
2. I agree that we should avoid confrontation at the December Transport Council. But we will need to start floating possible compromises of the sort you suggest before long, to give us an idea of what might run in the Community. We will also need to start talking to the Germans and other potential allies.
3. Your suggestion that we might consider increases for certain types of "friendly" suspension is promising, in both Parliamentary and Community terms. It might be possible to combine it with your option of an early increase to 40 tonnes while retaining a 10.5 tonne axle weight limit pending common standards for such "friendly" suspensions. That will help us resist being rushed into ending our overall derogation on 11.5 tonnes. With the right handling, I think it might be defensible in Parliament. Other linkages between your options may also be fruitful.

/4.

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4. I am copying this letter to the other recipients of yours.

A handwritten signature in dark ink, appearing to be 'G. Howe', written in a cursive style.

(GEOFFREY HOWE)

Foreign and Commonwealth Office  
5 December 1988

COMMERCIAL IN CONFIDENCE



DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB

My ref:

Your ref:

Lyn Parker Esq  
Private Secretary to the  
Secretary of State for Foreign & Commonwealth Affairs  
Foreign & Commonwealth Office  
Downing Street  
LONDON  
SW1A 2AL

EXCHEQUER	
REC.	29 DEC 1988
ATTACH	EST
COPIES TO	

✓ 29/12

23 DEC 1988

Dear Lyn

**EUROTUNNEL**

My Secretary of State has asked me to let you and the Private Secretaries to other interested colleagues know that the relationship between Eurotunnel and their contractors, Transmanche Link (TML), which has never been satisfactory, has deteriorated sharply in recent weeks. Nothing dramatic is likely to happen over the Christmas period, but January will be a critical time for the project.

Eurotunnel are demanding changes in TML's top management and are withholding 12 per cent of claimed payments. TML in turn are demanding changes in the management of ET and hinting that they will begin laying off staff in January, with irreversible consequences for the project.

There is no doubt that TML have not performed well. Design work on the transportation system is seriously behind and the progress on the tunnelling work on the French side is very disappointing. At the same time, Eurotunnel themselves must accept some of the blame. They have been slow to reach decisions and the manner of their Managing Director (Durand-Rival) is unnecessarily abrasive.

Eurotunnel have committed themselves to their bankers that agreement on improved client/contractors relations will be reached by 16 January. If this does not happen, the banks may abrogate the credit agreement. This, or lay-offs, or the next financial and time forecast (due on 4 January) could bring the crisis to a head early in the new year.

There is nothing for the Government to do at this stage except to watch developments. My Secretary of State will keep in close touch with Eurotunnel over the coming weeks and will advise his colleagues if matters become any worse.



COMMERCIAL IN CONFIDENCE

I am copying this letter to Charles Powell at No 10, Alex Allan at the Treasury, Philip Mawer at the Home Office, Neil Thornton at DTI and Trevor Woolley at the Cabinet Office.

*Your ever*  
*R J*

R J GRIFFINS  
Private Secretary

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10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

CH/EXCHEQUER	
REG.	30 DEC 1988
ACTION	EST
COPIES TO	
	30 December 1988

30/12

~~SECRET~~ p. let me know  
 what has been  
 actioned to ASAP.  
 EUROTUNNEL \*officials in

The Prime Minister has seen your letter of 23 December about the difficulties between Eurotunnel and Transmanche Link. She takes a serious view of this and does not think it sufficient to say there is nothing for Government to do. While it is of course a private sector project, the political implications of its interruption or even break-down would be severe. She would have thought there should at the least be contacts between the two Ministers of Transport very soon to review the situation. She would be grateful if your Secretary of State would act and keep her informed.

I am copying this letter to Alex Allan (H.M. Treasury), Philip Mawer (Home Office), Neil Thornton (Department of Trade and Industry) and Trevor Woolley (Cabinet Office).

*We must get  
 all costs away  
 from the government.*

(CHARLES POWELL)

Roy Griffins, Esq.,  
Department of Transport.

COMMERCIAL IN CONFIDENCE



DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB

My ref:

Your ref:

Charles Powell Esq  
Private Secretary  
10 Downing Street  
LONDON  
SW1

CH/EXCHEQUER	
REC.	06 JAN 1989
ACTION	CST ✓ 6/1
COPIES TO	

Dear Charles

- 6 JAN 1989

EUROTUNNEL

Thank you for your letter of 30 December about the latest developments on Eurotunnel.

Since you wrote, there has been more encouraging news. It seems now that changes in the top management of Eurotunnel and Transmanche Link are imminent, and that the contractors are having second thoughts about lay-offs.

We are in regular touch with the French Ministry of Transport and with M. Delebarre's cabinet. The French Minister has been kept fully abreast of developments. British and French officials are meeting next week to review the position in depth. If things should deteriorate, the two Ministers will be ready to meet urgently.

The situation is continually changing, but my Secretary of State has asked me to ensure that you are kept closely in touch.

I am sending copies of this letter to Alex Allan in the Chancellor of the Exchequer's Office, Philip Mawer in the Home Secretary's Office, Neil Thornton in the Trade and Industry Secretary's Office, and Trevor Woolley in Sir Robin Butler's Office.

Yours

Neil

N T E HOYLE  
Private Secretary

COMMERCIAL IN CONFIDENCE



FROM: MISS M P WALLACE

DATE: 5 January 1989

PS/FINANCIAL SECRETARY

cc PS/Chief Secretary  
Sir P Middleton  
Mr Monck  
Mr Moore  
Mr Gilhooly  
Mrs Case  
Mr Revolta  
Mr Guy  
Mr Elliott-IR  
PS/IR

**EUROTUNNEL**

The Chancellor has seen the DTp letter of 23 December, and Charles Powell's letter of 30 December about the difficulties between Eurotunnel and Transmanche Link. He has commented that we must at all costs avoid moral hazard.

A handwritten signature in cursive script, appearing to read "Moira Wallace".

MOIRA WALLACE

MP

FROM: A R WILLIAMS

DATE: 6 JANUARY 1989

- 1. MR MONCK
- 2. CHIEF SECRETARY

*Don't show amended.  
I understand PST's office  
is looking for you cc  
to deal with this as a public  
expenditure matter, though he  
has been involved on a  
case appear. The Chancellor's  
comment in Mrs Wallace's  
minute today reinforces the  
case for writing.*

- Chancellor
- Financial Secretary
- Sir P Middleton
- Mr Anson
- Mr R I G Allen
- Mrs Case
- Mr Moore
- Mr Mortimer

EUROTUNNEL

*CL/NB new letter  
behind from DTP -  
more encouraging*

*Mr 6/1*

The Secretary of State for Transport's Private Secretary wrote to his opposite number in the FCO on 23 December, about the current problems of Eurotunnel. He did not propose any action by the Government. On 30 December, No 10 reported the Prime Minister's view that there should at least be contacts between the French and British Ministers of Transport, to review the situation. We recommend that you write, going along with the Prime Minister's view on Ministerial contacts but firmly supporting Mr Channon's position in non-intervention in the affairs of Eurotunnel.

2. The root of the present difficulties has been the inability of the Channel Tunnel contractors, Transmanche Link (TML) to deliver the project to time so far, particularly on the French side. TML have sought to blame Eurotunnel for delays in reaching decisions. There is some justice in this, but the major part of the problem has been TML's own management failings. Eurotunnel have sought to deal with this by high profile criticisms of TML's performance and the withholding of 12 per cent of claimed payments. TML have been annoyed by the very public way in which Eurotunnel have aired their dissatisfaction, and it appears that the problem has been exacerbated by serious personality differences between the top management on both sides.

3. The brighter side to all this is that neither party can afford to let the project collapse as long as there is a chance of sorting out the problems. It would of course be the end of the road for Eurotunnel, but failure would also hit TML very hard.

*There always  
an when  
Alastair  
Morton is  
around*

The major British and French construction companies that make up TML would face a very serious dent to their international reputations, to say nothing of loss of money, if they could not bring the project to a conclusion.

4. It is highly desirable that both Governments should keep at arms length from this problem. Any hint that they are not prepared to let the project collapse would greatly reduce the pressure on Eurotunnel and TML to sort things out by themselves. The frequency of delays with public sector construction projects hardly suggests that we would be any better than the existing players at tackling the fundamental problem. If the Governments attempted to intervene and the project subsequently went badly wrong, it would be much more difficult for them to avoid picking up the financial pieces. This could be very expensive.

5. There have already been noises from the French side of Eurotunnel and TML that the Governments ought to provide the banks financing the project with guarantees. This would be at odds with the Treaty (and contrary to the Channel Tunnel Act). The French Government has as yet shown no signs of accepting the proposal. But it illustrates the dangers the Governments would face of getting sucked in financially if they tried to intervene.

6. Contacts between the two Ministers of Transport could be useful for sounding out the French position at the highest levels, but Mr Channon's view that intervention with the companies should not be pursued ought to be supported.

7. I attach a draft letter from your Private Secretary to Mr Channon's office.

*A. R. Williams*

A R WILLIAMS

DRAFT LETTER FROM PS/CHIEF SECRETARY TO:

PS/SECRETARY OF STATE FOR TRANSPORT

### EUROTUNNEL

The Chief Secretary has seen a copy of your letter of 23 December to Lyn Parker and of Charles Powell's letter of 30 December.

He agrees that contacts between the two Ministers of Transport could be useful, but he strongly supports your Secretary of State's position that the Government should not intervene in the affairs of Eurotunnel.

Any hint to Eurotunnel or TML that the British and French Governments were prepared to intervene to deal with Channel Tunnel problems would greatly reduce the pressures on the companies them / to sort/out ~~their problems~~ by themselves. The strength of market disciplines stems from the fact that there is no safety net. The record of delays on public sector construction projects suggests that Government intervention is unlikely to solve the root problem, TML's failure to complete the early stages of the project to time. If the

## COMMERCIAL IN CONFIDENCE

Governments attempted to intervene and the project subsequently went badly wrong, it would be much more difficult for them to avoid picking up the financial pieces. In short, the Channel Tunnel project is a private sector venture, as we have always emphasised, and we should treat it as one.

I am sending copies of this letter Charles Powell (No 10), Philip Mawer (Home Office), Neil Thornton (Department of Trade and Industry) and Trevor Woolley (Cabinet Office).



COVERING CONFIDENTIAL



DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB

My ref:

Your ref:

CHIEF SECRETARY	
REC.	8 FEB 1989
	Mr Moore
	Mr Anson, EST, PST
	Mr Masock, Mrs Brown
	Mr Guy, Mr Potter
	Ms Carr

Paul Gray Esq  
Private Secretary  
10 Downing Street  
LONDON  
SW1A 2AA

Dear Paul

**CHANNEL TUNNEL HIGH-SPEED LINK**

28 FEB 1989

/ As promised, I am sending you under cover of this letter an annotated agenda, which the Prime Minister might wish to use at her meeting tomorrow with my Secretary of State, the Secretary of State for the Environment and the Chief Secretary to the Treasury.

// In addition, I also enclose a copy of British Rail's report of last July, a fact sheet produced by this Department, and some Q&A briefing which was supplied to interested Kent MPs, most of whom have had regular meetings with our Ministers.

Copies of this letter and of the enclosures go to Alan Ring in the Secretary of State for the Environment's office, Garys Evans in the Chief Secretary's office and to Trevor Woolley in Sir Robin Butler's office.

Yours  
R J

R J GRIFFINS  
Private Secretary

## NEW RAIL LINK TO THE CHANNEL TUNNEL

### ANNOTATED AGENDA

1. The case for a new line - benefits to Kent and the rest of the country
  - See Annex 1 (for background) and Annex 2.
2. Implications for Kent of not proceeding
  - Rail congestion will affect Kent passengers as well as international travellers.
  - Potential rail traffic will be forced back onto Kent roads.
  - Kent residents will continue to live under permanent threat that new line will one day be built, without having certainty of where.
3. Current position
  - BR consulting widely on their proposals. Clumsy at early stages, but also misinterpreted: proposals for consultation not intended to be detailed route alignments.
  - Ministers anxious that blight in Kent and South London should be reduced as soon as possible by identification of preferred route, and that BR should aim to introduce Private Bill by November 1989, even if powers are not exercised immediately after Royal Assent.
  - BR have already announced choice of Kings Cross as preferred site for second London terminal (subject to Government approval).
  - BR currently intend to announce preferred route in early March (following Kent CC meeting on 23 February). Route will

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need to be finalised by July for introduction of Bill in November.

- KCC opposed to BR proposals in their present form, but accept need for new line, and have set out helpful selection criteria.
- Some Kent MPs opposed to principle of new line, others think it should go through someone else's constituency. All agree on need for greater attention to environmental protection.

4. Policy framework

- Government does not subsidise BR Freight or Intercity services, believes Channel Tunnel services too should be run on commercial lines.
- Section 42 of Channel Tunnel Act specifically rules out subsidy to BR for Channel Tunnel services.
- BR responsible for planning rail services and investment. Government does not have resources or expertise to take over.

5. Possible private sector involvement

- On behalf of BR Lazard's sought pre-qualification bids by end of January. There have been a number of responses including three or four serious proposals from the private sector for participation in the project. BR are following these up. Participation of the private sector - possibly on a joint venture basis - might bring forward significantly the realisation of the project.

6. Main objections and difficulties

- Those on the path of the line or adjacent to it will need to be assured that so far as possible the line has been designed to minimise adverse effects. They will want adequate compensation and they will be concerned about noise (see Annex 3).
- Concern has also been expressed about speed (see Annex 4).
- There are also concerns about the wider damage to the countryside and general environment. It will be vital that when announcing their preferred route, in the subsequent consultations, and when a Bill is before Parliament, BR demonstrate their sensitivity to these issues, produce a full Environmental Impact Assessment and show that they have taken all reasonable steps to protect the environment.
- It has been argued that the Government should subsidise environmental protection. This would be contrary to Government policy and the provisions of the Channel Tunnel Act (which Robert Adley is seeking to repeal). The project should bear its full costs, including proper environmental protection costs. At this stage there are no grounds for believing that the project cannot bear these costs, including if necessary extensive tunnelling under London, although an increase in costs is likely to delay the point at which it can be financially justified.

Background

- BR's investment plans for 1993 involve improvements to existing rail network (signalling, etc) so that Channel Tunnel trains can use existing lines (including links to North).
- BR believe that, with these improvements, existing network can cope in early years.
- BR study (announced in Kent Impact Study consultation document August 1987) looked at options for augmenting capacity in longer term.
- BR Report (published July 1988) concluded that best way of providing additional capacity was construction of a new line; identified three possible corridors for new line and three possible sites for second London terminal.
- BR's own traffic forecasts indicate no need for new line until next century. Eurotunnel's higher forecasts would bring forward need to 1990s. Eurotunnel claim line needed as soon as Tunnel opened.

## NEW CHANNEL TUNNEL RAIL LINK

### NEED AND BENEFITS

1. Both BR's own study and the independent report commissioned by KCC confirm that sooner or later BR's South East network, which is already slow and congested, will run out of capacity and be unable to cater for growth in international and domestic services. The KCC report argues that this will occur shortly after the Tunnel is open.
2. Both reports show that dealing with "pinch" points on the existing network will not be sufficient; a completely new line is needed. Simply widening any of the existing rail corridors and putting in extra lines is an option already rejected by BR on the grounds that this option would be as expensive if not more expensive than a new dedicated rail link, would be extremely disruptive to BR's existing services and to people living alongside existing rail lines and would not reduce journey times to the extent necessary to make the investment viable.
3. As traffic grows the rail links through London and between London and the Tunnel will become a major obstacle to the ability of the regions outside the South East of England to maximise the benefits from the Channel Tunnel. The removal of this bottleneck is important if the country as a whole is to benefit from fast, direct through rail links from the UK's industrial areas and ports to the industrial and economic centres of Europe.
4. For international services the new line would serve both Waterloo and a second international terminal at Kings Cross (en route or with easy connections to the rest of BR's high speed network (125mph with the scope for 140mph on the East Coast Main Line)). It would allow the growth in international traffic to be met and international services to operate during the morning and evening peaks and would permit reductions in

journey times of around 30 minutes between London and the Tunnel -bringing Paris within  $2\frac{1}{2}$  hours of London and Brussels  $2\frac{1}{4}$  hours. Shorter journey times will increase rail traffic and increase BR's revenues:

- (i) because of the increased traffic;
- (ii) because some passengers will be prepared to pay more the higher quality of service;
- (iii) because BR's share of the total revenues will increase; the agreed formula between BR and SNCF rewards reduced journey times and increased reliability.

5. So far as international freight is concerned the new rail line between the Tunnel and London, whilst envisaged as primarily a passenger line, would nevertheless release additional capacity on the existing network for international freight services through the Tunnel. BR estimate that they would get  $2\frac{1}{2}$  times the existing freight capacity out of the existing system if a new passenger line is built. This ability of the rail freight system to expand and to compete over the longer distances which favour it (eg Manchester-Milan, Birmingham-Barcelona) should offer some relief to the roads in the South East.

6. The new line would transform travel into London for many areas of Kent. Journey times from Ashford and East Kent beyond it could be virtually halved, as could journey times from Maidstone and some of the Medway towns if a mid-Kent parkway station were built. Congestion and over-crowding on existing lines would also be relieved and significant expenditure on the existing system could be avoided. The development of Ashford and East Kent, a key feature of KCC's structure plan, would be enormously assisted.

NEW CHANNEL TUNNEL RAIL LINK

NOISE, BLIGHT AND COMPENSATION

Noise

1. BR have engaged independent experts at Southampton University to advise them on noise effects of new line. Predicted noise levels at 25 metres from line, and assuming 140 international trains a day (a traffic level not expected until around 2020), are:

78 dB(A) at 300 km/hr;

73 dB(A) at 200 km/hr.

Noise impact on particular properties will vary greatly, depending on speed of trains at that particular point and physical features of line (tunnels, cuttings, etc).

2. Highway authorities are required to insulate properties if predicted noise level on new road 15 years after it opens exceeds 68 dB(A) on slightly different noise index. Equivalent level of railway noise is 70-72 dB(A). BR have undertaken to take steps to reduce noise or mitigate its effects for properties where noise exceeds 70 dB(A).

Blight

3. Blight caused by BR's proposals is similar to that caused by proposals for new roads. Highway authorities have statutory obligation to purchase properties which would be physically required for works once preferred route has been announced, but only very limited discretion to buy properties outside line of route or before route has been announced.



4. BR have already established a scheme to purchase voluntarily properties affected by any of their route options in cases of hardship. They are also proposing to purchase all properties within 100 metres of preferred route (50 metres in urban areas) as soon as route is announced. Government is considering EFL consequences of this and its implications for road schemes.

#### Compensation

5. In addition to noise insulation and purchase of blighted properties, BR are obliged under Part I of Land Compensation Act 1973 to compensate householders for depreciation in value of their property caused by use of new railway works. This is same as for new roads. Compensation is payable one year after works open.

NEW CHANNEL TUNNEL RAIL LINK: THE QUESTION OF SPEED

1. The common fleet of trains to be operated from 1993 by BR, SNCF and SNCB will be capable of operating at speeds of 180mph plus and will do so across large stretches of northern France. In 1993 it will take nearly as long to get from London to Folkestone (70 minutes) as from the Tunnel portal on the French side to Paris (over twice the distance).
2. If a new line is to be built between London and the Tunnel BR (and the other railways) will, all things being equal, wish to utilise the performance of the trains. The shorter the journey times the more traffic will be generated. There is the additional incentive for BR that the revenue sharing arrangements with SNCF provide for an increased share of the revenue for BR if and when they reduce journey times (and a lower share of capital costs).
3. Environmentally, a line designed for high speed has two main disadvantages. The first is that it cannot as readily twist and turn to avoid particular features; the room for design manoeuvre is therefore more limited.
4. The second disadvantage is that the higher the speed the greater the noise. Although work is being done to make trains less noisy (the Channel Tunnel fleet will be less noisy than existing French TGVs) it is nevertheless the case that a train travelling at 180mph is considerably more noisy than a train travelling at 125mph (though the noise does not last as long).
5. The reduced design flexibility and increased noise are both factors which BR have to take into account since they affect the number of properties which BR may have to purchase or the number

## EFFECTS OF NEW LINE ON JOURNEY TIME AND SPEED

	<u>Distance</u> (miles)	<u>Without</u> <u>new line</u>		<u>With new</u> <u>line</u>	
		Peak journey time (minutes)	Average speed (mph)	Peak journey time (minutes)	Average speed (mph)
<u>Domestic trains</u>					
London-Maidstone	40	60	40	30	80
London-Ashford	56	75	45	45	75
<u>International trains</u>					
London-Tunnel	71	82	52	40	105
Tunnel-Paris	204	-	-	85	145

Note: 1) It is not clear whether the high-speed train will need to reach 180mph in order to achieve an average speed of 105mph in the UK; but the possibility cannot be ruled out.

2) Outside peak hours international trains will take 70 minutes to get from London to the Tunnel; an average speed of 60mph.

**CHANNEL TUNNEL RAIL SERVICES: PROPOSALS FOR A NEW HIGH-SPEED RAIL  
LINK**

**NOTE BY THE DEPARTMENT OF TRANSPORT**

Background

When the Channel Tunnel opens in 1993, British Rail will use existing rail links between London and the Tunnel to carry the additional freight and passenger services. These routes will benefit from track and signalling improvements to cope with the additional traffic, but in the longer term, as Tunnel traffic grows, the capacity of the existing network will be exhausted and there will be no scope for further growth in either domestic or international rail services. The Kent Impact Study consultation document, published in August 1987 by the Channel Tunnel Joint Consultative Committee, noted that British Rail were engaged in a detailed assessment of options for augmenting capacity in the longer term. BR's report, published in July 1988, concluded that a new line was the best solution and identified three possible route corridors (together with three possible sites for a second London passenger terminal) for further consideration.

Government Responsibility

Responsibility for planning rail links in Great Britain rests with the British Railways Board. It is not the responsibility of the Government. The Government has no reason to favour any one of the options put forward by British Rail at this stage, but is anxious that the present uncertainty in Kent should be removed as soon as is practicable.

## Blight

British Rail are well aware of the problems caused by blight where property owners wish to sell their homes and cannot wait until the statutory compensation provisions come into effect. They announced on 10 November that they would take action in cases of genuine hardship which have arisen where individuals can demonstrate a need to sell their property for reasons unconnected with BR's proposals but find that they are unable to do so except at a substantially lower price than they might otherwise have expected. This announcement shows that BR are prepared to go beyond their strict statutory obligations in their approach to this issue. They are now considering actively the appropriate approach to compensation in cases of blight for implementation when they announce their preferred route corridor.

## Statutory Procedure

The traditional method of promoting new railway works is the Private Bill procedure, under which BR must deposit a Bill in Parliament and receive the consent of both Houses of Parliament before they can proceed. Objectors have the right to petition Parliament and have their objections fully considered by Select Committees in both Houses. BR will therefore need to satisfy Parliament that they have dealt in an appropriate manner with the environmental and other consequences of their proposals. If a private sector promoter is involved in the provision of a new line, the same statutory procedure will have to be followed.

## Will Kent travellers benefit?

British Rail expect to be able to provide fast and attractive services for domestic as well as international travellers on the new line once it is built. Kent travellers will also benefit from the relief of congestion on the existing lines when the additional capacity offered by the new line becomes available.

**CHANNEL TUNNEL RAIL SERVICES: PROPOSALS FOR A NEW HIGH-SPEED RAIL  
LINK**

**NOTE BY THE DEPARTMENT OF TRANSPORT**

Background

When the Channel Tunnel opens in 1993, British Rail will use existing rail links between London and the Tunnel to carry the additional freight and passenger services. These routes will benefit from track and signalling improvements to cope with the additional traffic, but in the longer term, as Tunnel traffic grows, the capacity of the existing network will be exhausted and there will be no scope for further growth in either domestic or international rail services. The Kent Impact Study consultation document, published in August 1987 by the Channel Tunnel Joint Consultative Committee, noted that British Rail were engaged in a detailed assessment of options for augmenting capacity in the longer term. BR's report, published in July 1988, concluded that a new line was the best solution and identified three possible route corridors (together with three possible sites for a second London passenger terminal) for further consideration.

Government Responsibility

Responsibility for planning rail links in Great Britain rests with the British Railways Board. It is not the responsibility of the Government. The Government has no reason to favour any one of the options put forward by British Rail at this stage, but is anxious that the present uncertainty in Kent should be removed as soon as is practicable.

## Blight

British Rail are well aware of the problems caused by blight where property owners wish to sell their homes and cannot wait until the statutory compensation provisions come into effect. They announced on 10 November that they would take action in cases of genuine hardship which have arisen where individuals can demonstrate a need to sell their property for reasons unconnected with BR's proposals but find that they are unable to do so except at a substantially lower price than they might otherwise have expected. This announcement shows that BR are prepared to go beyond their strict statutory obligations in their approach to this issue. They are now considering actively the appropriate approach to compensation in cases of blight for implementation when they announce their preferred route corridor.

## Statutory Procedure

The traditional method of promoting new railway works is the Private Bill procedure, under which BR must deposit a Bill in Parliament and receive the consent of both Houses of Parliament before they can proceed. Objectors have the right to petition Parliament and have their objections fully considered by Select Committees in both Houses. BR will therefore need to satisfy Parliament that they have dealt in an appropriate manner with the environmental and other consequences of their proposals. If a private sector promoter is involved in the provision of a new line, the same statutory procedure will have to be followed.

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CHANNEL TUNNEL RAIL SERVICES: PROPOSALS FOR A NEW HIGH-SPEED  
RAIL LINK

Question and Answer Briefing

Why is a new line needed?

British Rail's report concluded that further capacity would be needed in due course between London and the Channel Tunnel. If it is not provided, there will be no scope for further growth in domestic or international train services on the lines affected, and some traffic will be forced back onto the roads.

British Rail's report also concluded that a new line was the best way of providing additional capacity. Widening of existing lines would also have a significant environmental impact on the communities through which the existing lines pass, it would cost just as much as a new line and journey times would be slower.

When will the new line be built?

This will depend on a number of factors, including the degree of confidence which can be attached to the differing forecasts of traffic through the Channel Tunnel, the rate of growth in domestic traffic, and whether BR are successful in finding private sector partners.

The new line may not be built for some years. But there is everything to be said for trying to settle the route quickly so that the people affected know where they stand.



## BR's handling of consultations

BR have statutory responsibility for planning rail links. They set out to consult the people of Kent by proposing three corridors along which a new line might run.

The Government accepts that BR have not handled consultations as sensitively as they might, not least because the corridors were treated as though they were precise alignments. Sir Robert Reid shares this view, and BR are taking steps to improve matters.

## Government financial objectives prevent BR from taking environmental protection measures?

Not so. BR's investment must be commercially justified. This does not mean that they are prevented from adopting an environmentally sensitive approach, any more than Eurotunnel have been prevented from taking environmental protection measures around their Cheriton terminal.

Under the Private Bill procedure, BR will need to satisfy Parliament that they have struck the right balance between commercial and environmental considerations.

## Will the chosen route be subject to Environmental Impact Assessment?

We understand this is certainly BR's intention.

Parliament will clearly require evidence on the environmental effects when considering BR's Bill authorising the works required.

## Why do trains need to travel at 180 mph?

Optimum speed on the new line is a matter for BR, who will have to justify their decision.

Increases in speed are likely to increase BR's revenue from the new line.

But BR will also need to examine the environmental implications of very high speed.

Will there be a public inquiry?

The Private Bill procedure is the accepted procedure for promotion of new railway works. Objectors have the opportunity to petition against the Bill to Select Committees of both House of Commons and House of Lords. This stands in place of the public inquiry procedure.

We recognise that the recent Joint Committee report proposes changes to the Private Bill procedure. It is not yet possible to anticipate the response to this report, or the decisions that Parliament will take on it. For the time being, there is no alternative but to plan on the basis of the existing Private Bill procedure.

Won't private sector involvement reduce the possibilities of environmental protection?

No. Whether the private sector is involved or not, BR will have to go through the same statutory procedures.

Will domestic services be able to use the new line?

BR expect to use any new line for domestic express services as well as international services. This could provide important new facilities and opportunities for Kent. The new line will also release capacity on existing lines for the growth and improvement of domestic services.

What about freight services?

We understand BR's current view is that the new line will probably not be suitable for heavy freight services (which require gentler gradients and heavier axle weights). There may however be some opportunities for low-volume high-value premium freight services.

But as in the case of domestic services, the new line will release capacity on the existing lines for further growth in international freight services, taking more freight traffic off the roads.

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FROM: W A GUY  
DATE: 7 February 1989

- 1. MR MOORE
- 2. CHIEF SECRETARY

cc: Chancellor  
Financial Secretary  
Economic Secretary  
Sir P Middleton  
Mr Anson  
Mr Byatt  
Mr Monck  
Mr Edwards  
Mrs Case  
Mrs Lomax  
Mr Mortimer  
Mr A Williams  
Mr P Morgan  
Mrs Chaplin  
Mr Tyrie  
Mr Call

We had been working on this general brief to set the scene for a number of major decisions, with implications for the IFR and beyond, which will <sup>start</sup> come up later this month.

You now have the PM's meeting on Thursday morning. We don't know when tomorrow we will see Transport's paper. In the meantime, Mr Guy has listed at Annex D the bull points for you.

Our main concerns are that financial decisions are taken in the Survey context - alongside Mr Channon's other ambitious ideas for rail, LRT + roads - and that we must see this

**BRITISH RAIL AND THE CHANNEL TUNNEL**

month the financial appraisals and costing for the Kings Cross proposals + for blight compensation

This submission is a background to your meeting with the Prime Minister and colleagues on Thursday morning. We have not seen any papers for it, but you are likely to be invited by Transport Ministers in the next few months to approve decisions with expenditure implications affecting the strategy for rail services through the Channel Tunnel (CFL) and imposing a further heavy burden on public expenditure in the next three years, and beyond. The immediate issue is 'Phase III' of BR CFL services involving the construction of a new line across Kent to a second international passenger station in London. Developments are driving towards a premature commitment because of opposition to rural routes amongst Kent communities and preparations for a major property development at Kings Cross which is a possible site for a second terminal.

General Background

2. The CFL is due to open to rail traffic in mid-1993, although construction delays raise a question mark over that timetable. BR has approval in principle for about £600 million investment in preparation for international freight and passenger services. (The approval is expressed in constant prices using an historic

note now behind

BW  
7/2

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price base, and is constantly revalued to current prices.) This would cover 'three capital services' between Waterloo, Paris and Brussels for passengers and, for freight, delivery of most international traffic to a clearing centre at Willesden Junction.

3. Provision made for this first phase of the programme during the Survey period, and the subsequent planned spending profile, is as follows:

	89-90	90-91	91-92	92-93
Phase I	47	90	264	[200?]

Broadly, this covers the purchase of rolling stock sets and new multi-voltage locomotives (capable of operating at high speeds from overhead power in France and somewhat lower speeds in England using third rail traction); associated depot facilities near Wormwood Scrubs in West London; some upgrading of the existing Boat Train tracks; an international passenger terminal at Waterloo; some upgrading of the freight route into Willesden Junction and a freight clearance depot at Willesden Junction.

4. This does not cover 'Phase II', which would provide an international passenger station at Ashford and passenger trains running direct to regional centres north of London. Both are proving difficult to justify commercially, and grant is excluded by S42 of the Channel Tunnel Act. If they went ahead, the profile of expenditure additional to that above would be as follows:

	89-90	90-91	91-92	[92-93]
Phase II		8	35	[170?]

5. BR is obliged by the Act to prepare plans for through services beyond London by the end of 1989. This will cover not only passengers but freight also. There is thus already an expenditure threat arising from the omission from plans of cover for Phase II. We have also been warned recently by the Department that the costs of Phase I may be building up in excess of the approved ceiling; we also cannot rule out possible modifications to the freight strategy, < Commercial considerations aside, there

*The omission from the 1988 survey was deliberate, pending further work  
JW*

at a cost.

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is likely to be intense political pressure to provide direct international links to the regions, and Kent feels that it has been promised Ashford International by DTP Ministers. The focus of this submission, however, is on the new threat emerging from 'Phase III'.

Phase III

6. BR demand forecasts published last summer indicate that the capacity of the infrastructure to handle the projected growth in passenger demand will be exhausted both on the tracks and at the Waterloo terminal at around the same time in the first or second decade of the next century, and that at that time it would be commercially justified to have in operation a new line across Kent from the CFL to a second London terminal. SNCF forecasts suggest it could be justified a little earlier, say, the end of this century, and Eurotunnel assert that it will be needed almost as soon as the CFL opens.

7. The new line and terminal are known as Phase III. BR would prefer the new line to be capable of supporting speeds of over 180 mph, compared with the 130 mph of InterCity tracks and the 100 mph or so capable on the existing route. Last summer BR published four options for the rural route across Kent and four options for the site of the terminal in London (see Annexes A and B). The cost of Phase III was estimated at around £1 billion, give or take 20 per cent. BR indicated a preference for Kings Cross as the site of the terminal since, although likely to make the package more expensive than, say, Stratford, it appeared to offer better access to central London.

8. Allowing five years for construction and a couple of years for the Parliamentary process, it would not be necessary to press the button for Phase III until the CFL had been seen in operation. But pressures are now building for a premature commitment.

Pressures to Accelerate Phase III

9. One source of pressure which can be coped with is from Eurotunnel. They accused BR of using pessimistic demand forecasts. In response, with our approval, BR asked for proposals

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from private capital to construct Phase III prematurely, on the strength of a minimum usage commitment from BR consistent with their demand projections but leaving the private sector on risk for a loss if extra demand did not materialise. There have been four responses to BR. We do not know the details, but it seems that at least two are just bids for construction contracts. We never really expected a proposal for risk-bearing private finance, but we may be pleasantly surprised. Eurotunnel has now changed tack and is insisting that the Government should underwrite the costs of a premature Phase III. Doing this by guarantee would run foul of the spirit of the Channel Tunnel Act, though not perhaps its letter.

10. There is more serious pressure from the Kent community. By publishing four lines on the map for possible routes, BR has effectively blighted a lot of property. It is not a technical blight for two reasons. First, the options do not constitute plans at this stage.. Second, even if they did, statutory blight compensation provisions would not be activated until the private Bill authorising construction had been passed. In this latter respect the statutory position of railway undertakings is different from roads, where compensation becomes payable as soon as firm plans are announced, in advance of public inquiries. This differential treatment would be difficult to justify: it has endured because major surface railway projects outside the operators' property are so rare.

11. There is inevitably pressure on BR to announce its preferred route from the four options quickly so that blight can be lifted from the other routes. BR has indicated that it expects to make this announcement soon. There is a great NIMBY lobby associated with each route. Critics are insisting either that a new route should be found doing less environmental damage or that more of the route should be in tunnel. Kent County Council will meet on 24 February to decide its position. It seems likely to accept the need for a new line somewhere. Its public posture seems to be opposition to all four routes, but in private it seems to favour a modification of route 1 to take the new line through the middle of Ashford in connection with the international station there.

12. When BR does announce its preferred route it would relieve the blight in some places but focus it on others, along the

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preferred route. BR feel that, at that time, an extra-statutory compensation package should be activated. This is discussed below.

Ha! - 13. The final source of pressure for premature decisions on Phase III is BR itself. BR has decided, for reasons which are not transparent, that the new terminal should be at Kings Cross. It would there form part of the major property development led by Rosehaugh Stanhope, which is described at Annex C to this submission. A private Bill authorising the associated railway works is before Parliament. It includes powers related to the construction of a new underground international passenger terminal, which BR has justified (against our better judgement) by confirming on 12 January that Kings Cross is indeed its favourite option for Phase III.

14. Because the proposed terminal would have to be integrated into the development at an early stage, most of the costs of providing it would have to be committed early. The developer will be seeking financial commitment from BR during this year, to an amount which would represent about 80 per cent of the full cost (£250 m) of developing the terminal. The spending might not start to arise until the last year of the current Survey, but the commitment would preempt any later decision that the Phase III terminal should go elsewhere. BR has failed to provide the Department with adequate reasons for preferring Kings Cross, let alone for prematurely committing the lions share of the cost of building it there.

Problems

15. We remain to be convinced of two key points:

- i. that Kings Cross will be the right place for the second terminal;
- ii. that Phase III will be justified before well into the next century (if not, any commitment to it before the turn of the century is liable to be premature);



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16. On (i), the Department envisage a Government statement during second reading of the Kings Cross Bill (between the end of this month and May) to the effect that there is a prima facie case in favour of Kings Cross, subject to detailed financial appraisal. They hope to receive information from BR in the next two weeks to support this view.

17. The proposed blight compensation package is relevant to (ii). BR estimate that to acquire a liability to buy property within 100m of the preferred route and to double glaze certain property beyond that margin would cost about £200 million to £500 million, most of which would be spent within three years of introducing the package beginning with about £50 million in 1989-90. They would aim to recoup all but £100 million or so of the total by selling the property not needed for demolition, once the line was built. The Department believe that the gross cost may be lower, at around £250 million, and that it would take many years before it was fully spent. But they have not yet produced any alternative spending profiles of their own.

18. The BR Board will meet on 9 March to approve a statement of its preferred route which they would wish to issue the next day, together with details of extra-statutory compensation, which would be available immediately on the basis of a detailed alignment for the route which would then be the subject of consultation. DTp Ministers may seek some modification of the package and assert that its costs and the rate of take-up would be lower, but they are likely to support the case in principle for an expensive compensation system.

19. Thus, the pressures will be for a financial commitment to expenditure of perhaps £250 million on the route and £200 million on the terminal, during this year, in advance of the next Survey. This would not only add to existing Survey provisions (any extra spending on Phase I and II and freight would be additional to this), but it would also represent sunk costs in Phase III on a scale making the project inevitable and pre-empting any further consideration of the shape of the project - both the route and the terminal site would be fixed. DTp officials believe that it will not be necessary to make actual commitments before the Survey, but it will require very careful handling to keep financial questions

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open whilst making the public noises about Kings Cross and the new route which DTP want to make, and the compensation package will certainly represent a real exposure even if the Kings Cross heads of agreement do not.

20. One aspect of interest is the site of the terminal in relation to plans to regenerate East London. Putting it at Stratford instead of reinforcing the lopsided concentration of rail terminals in west London would have obvious advantages.\*

But BR is persistently arguing for Kings Cross on the basis of existing population and employment distributions, and ignoring the possible implications of the CLRS and ELRS for accessibility of Stratford. Putting it at Kings Cross will engender local resistance. The land required would have to be compulsorily purchased and property on it demolished, including listed buildings such as the Scala cinema. At Stratford it would be welcomed by the local community. It would also be cheaper to build - it would be above ground on property already owned by BR.

21. This is in fact, a powerful illustration of the lack of coordination in transport planning of which some people complain: the CLRS, the ELRS and Phase III of the CFL are being planned simultaneously but quite separately with little scope for considering their mutual implications.

22. Another concern is the scope for private finance. Ideally the whole Phase III project should be carried out in the private sector. There is perhaps scope for a joint venture with BR. But the current momentum is towards provision of Phase III by BR - beginning with BR acquiring a liability to buy property along the route in March. If the private sector is to be involved usefully it should be involved before the project gets so far and expenditure begins.

23. There may be some feeling that decisions on Phase III are best got out of the way before the next Election. But in terms of finance and economics the risks in premature commitments are very great. We cannot provide you with more than this outline of the issues at this stage as we do not have the agenda for the meeting - we understand that it will not be available before Wednesday night. (It is likely, however, to include a background to the

\* Eg Stratford is only half the distance from Canary Wharf that Kings Cross is.

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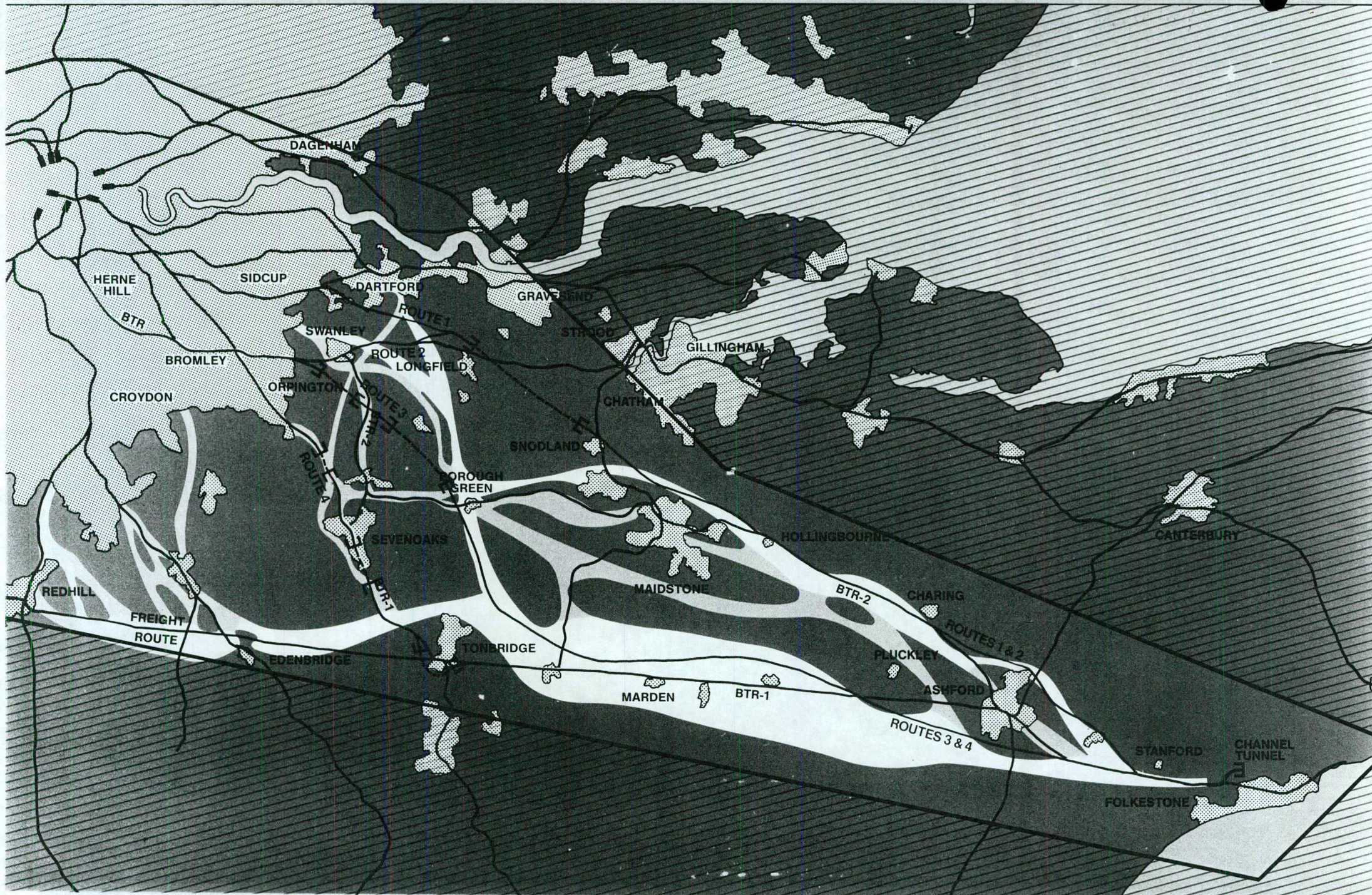
issues for the Prime Minister and then to focus on questions such as environmental damage, noise pollution and compensation.) At Annex D are some suggested points to get onto the record of the meeting. The main point is that there should not be any commitments to the shape of Phase III or how it is to be financed before at the most outline appraisals have been considered. Your objective for the meeting should be to avoid decisions being taken there and then.

W A GUY

W A GUY

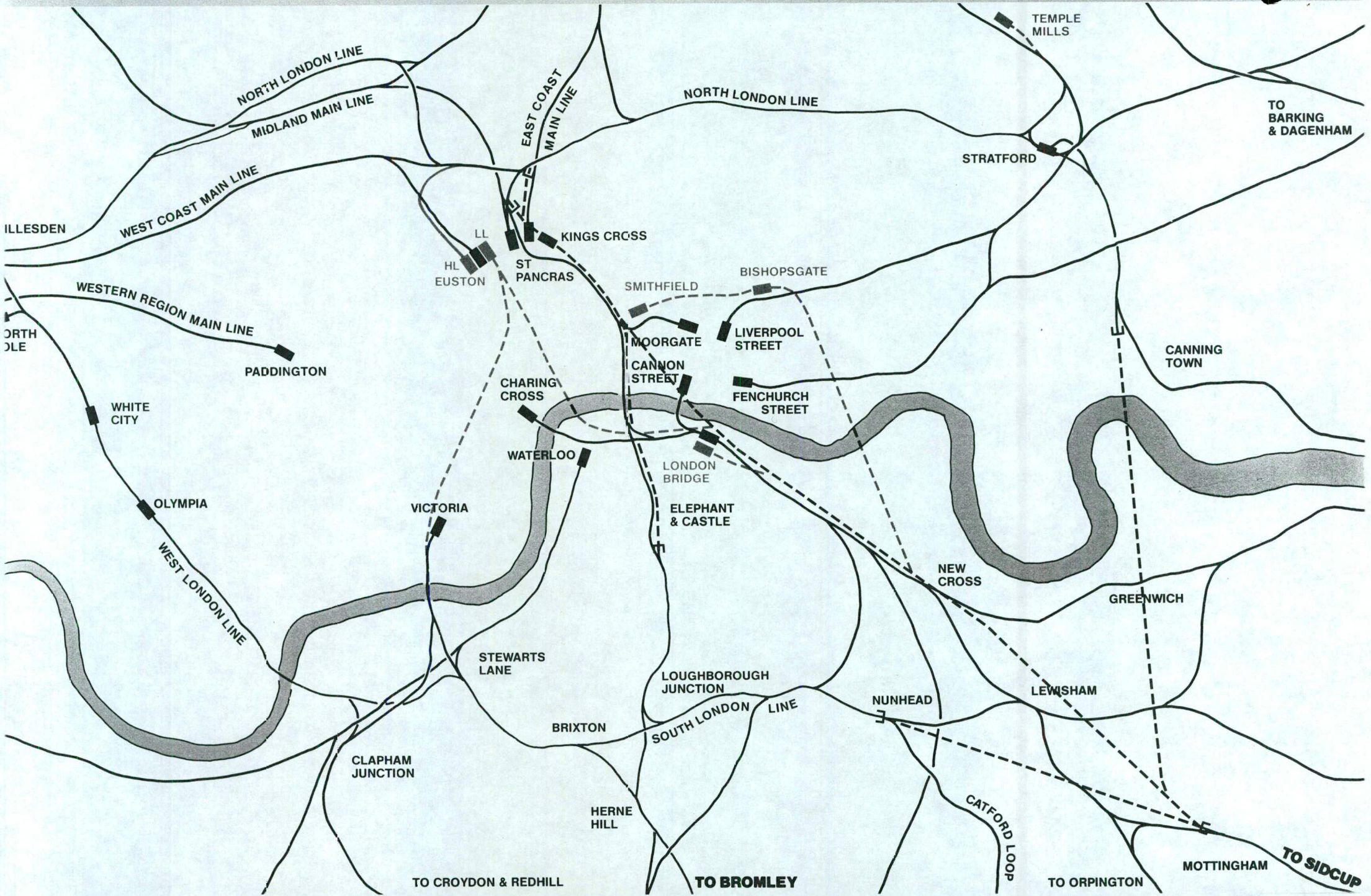
# MAP 3: THE FOUR ROUTES EVALUATED

- ☐ PREFERRED CORRIDORS
- ▨ ALTERNATE CORRIDORS
- RESTRICTED AREAS



# MAP 4: LONDON TERMINALS EVALUATED

■ RETAINED AFTER EVALUATION  
■ DISCARDED AFTER EVALUATION



**THE KINGS CROSS PROPERTY DEVELOPMENT**

The pressure to accelerate decisions on Phase III is linked to BR's anxiety to acquire Parliamentary approval of their Private Bill authorising railway works in connection with this property development.

2. The development is proposed by the London Regeneration Consortium (LRC) which is a collaborative venture between Rosehaugh Stanhope and the NFC. Rosehaugh Stanhope is a 50/50 joint venture between Rosehaugh PLC (headed by Mr Godfrey Bradman) and Stanhope PLC (headed by Mr Stuart Lipton, but one third owned by Olympia and York). Rosehaugh Stanhope is involved in most of the big property developments going on in London which are not being led by Olympia and York.

3. The proposed development of 121 acres of land behind Kings Cross and St Pancras stations is led by Rosehaugh Stanhope. They invited the property owners to join them, but only NFC took up the offer. They have 19 acres of the site. They seem to be financing their involvement in LRC by staking their land. The major landowner is BR, which has three quarters of the site. Other landowners are British Gas, British Waterways Board and Camden Council, as well as NFC.

4. There is some uncertainty as to whether the BR and NFC land does not carry a covenant by which beneficial ownership would revert to St Bartholomews Hospital in the event that it ceases to be used by the railway undertaking and its successors who acquired it from Barts early last century. The private Bill provides for the extinction of any reversionary rights subject to compensation.

5. Planning permission is being sought for a mainly commercial development which is aimed at the financial sector to provide an overspill from the City to the West just as Canary Wharf is intended as an overspill in the east. The two developments are already in competition, but whereas Canary Wharf is in early stages of construction, Kings Cross has yet to get off the drawing board. On the drawing board it looks like the illustrations

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attached. It is built around a central park containing the various listed structures (old warehouses etc) on the site. Antique gas-holders (dating back to the old Imperial Gasworks occupation of the site) will also be preserved.

6. The developed value is projected at some £3 to £4 billion, with costs of some £2.5 billion leaving a surplus of around £1+ billion from which £200 to £300 million would go to finance necessary railway works to liberate the land. From the residual BR would expect a cash return exceeding £500 million in return for its land. The precise numbers keep shifting, as do the detailed development plans. Key uncertainties are the planning gain which may need to be conceded to Camden and the size of compensation, if any to St Barts. Mr Bradman also complains a lot about the effect of VAT on new construction, which would apply to this development.

7. We are trying to work out what the essential railway works are which are to be financed by the development (rather than directly by BR). We are concerned that it includes works such as the proposed vast passenger concourse linking Kings Cross and St Pancras, which it might be argued should be a charge on public expenditure instead. It does not cover the cost of the proposed Phase III terminal, which we have insisted must be financed by BR.

8. This terminal would be underground, extending beyond the SE corner of the site into adjacent land which would have to be compulsorily acquired for demolition. Cut and cover techniques would be used in construction, so that a good deal of property would be demolished (including listed buildings such as the Scala cinema) albeit the land on top of the buried terminal would be available for redevelopment subsequently. We are not sure if BR intends to acquire the freehold, or what plans will be announced for the site.

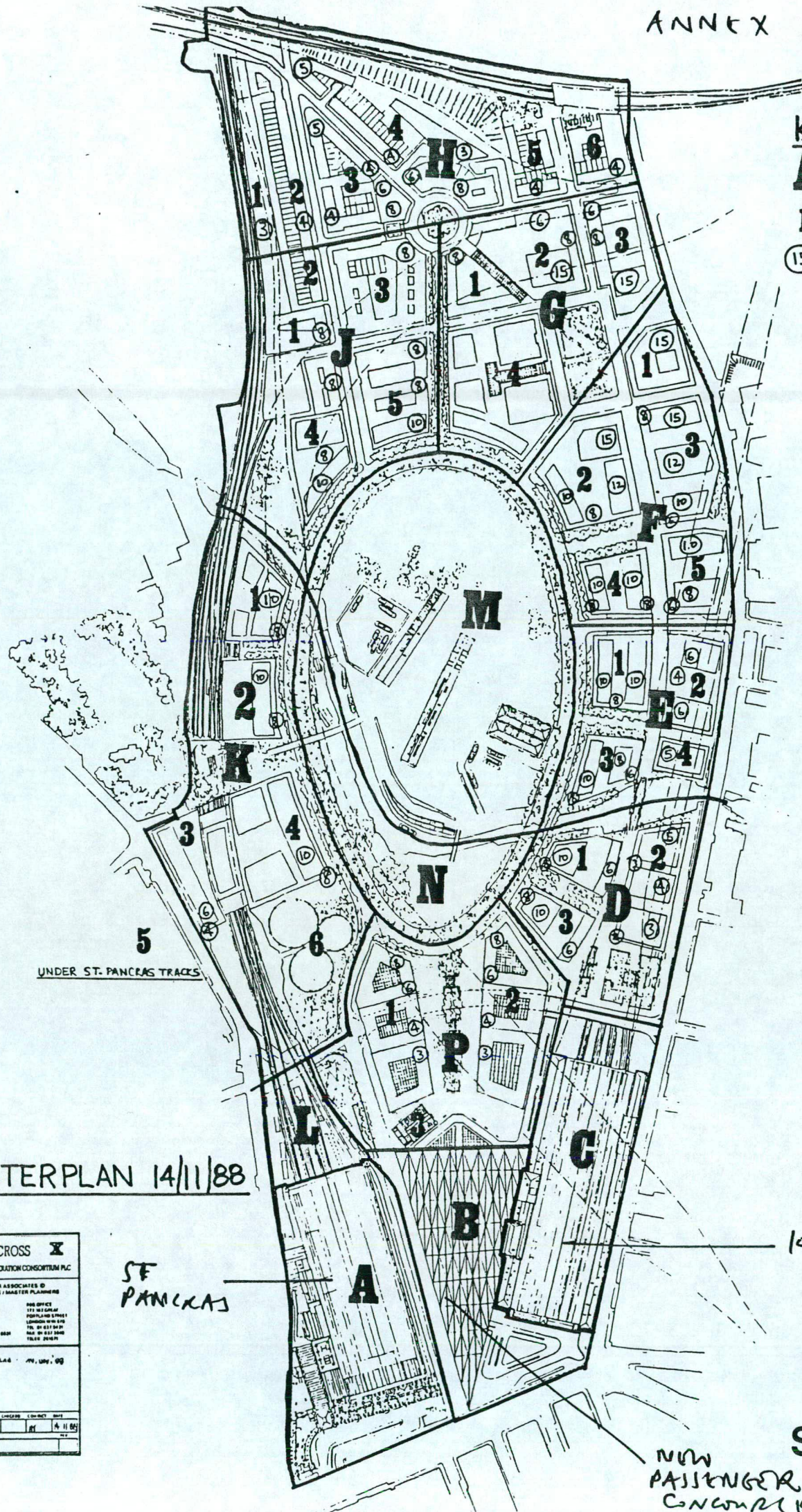
9. The southern end of the main site would be developed first, so that the installation of the carcass for the underground Phase III terminal (which would amount to 80 per cent of the full costs of the Phase III terminal) would be one of the first pieces of work. It could start in 1991, but financial commitment to it by BR would be required next year if it were to continue to be incorporated in plans for the site. In the meantime, it is

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intended that heads of agreement with the developer will contain an escape clause by which BR could remove the low level station from their plans. The heads of agreement, which are expected to be signed in March or April will, however, probably have to cover financing of the various other railway works.



**KEY**  
**A** ZONE  
**1** SECTOR  
**(15)** STOREY HEIGHT



UNDER ST. PANCRAS TRACKS

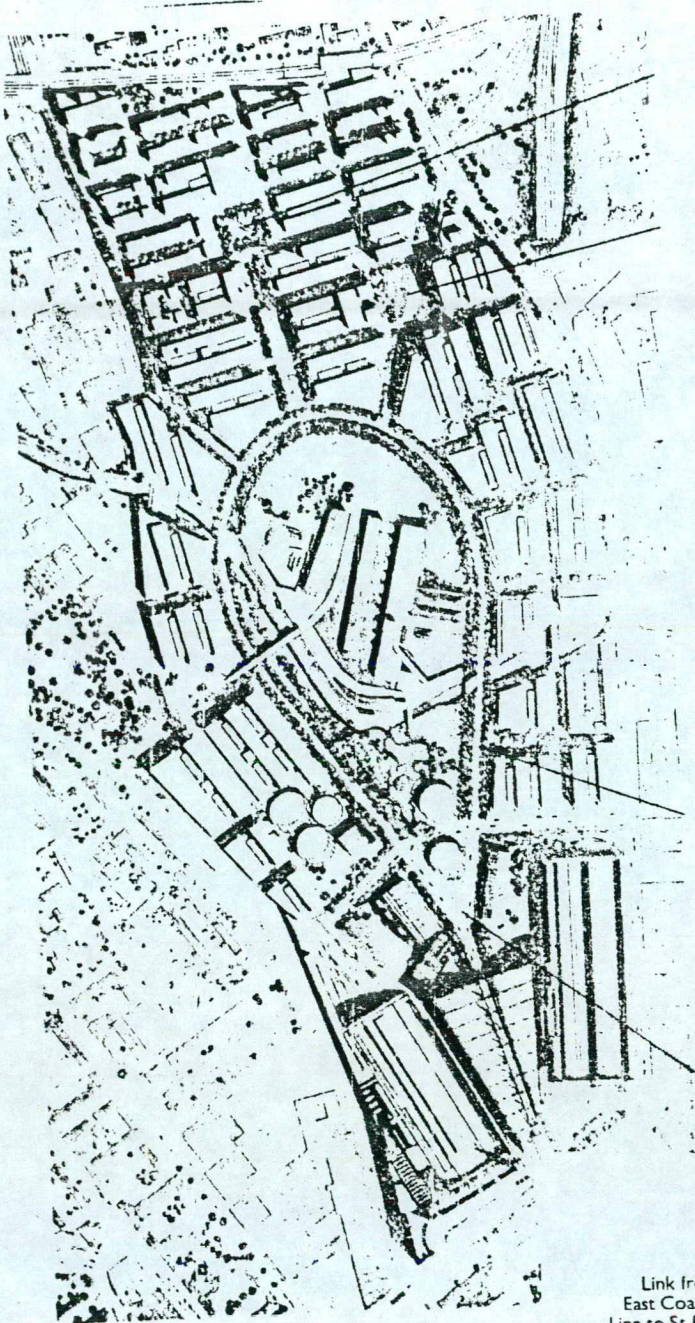
MASTERPLAN 14/11/88

<b>KINGS CROSS</b>	
LONDON REGENERATION CONSORTIUM PLC	
FOSTER ASSOCIATES © ARCHITECTS / MASTER PLANNING	
SITE OFFICE TECHNICAL OFFICE OFFICE UNIT LONDON EC1A 3AB TEL: 01 637 5833 FAX: 01 637 5838 TEL/FAX 204791	MAIN OFFICE 111 111 GUYARD PORTLAND STREET LONDON W1P 0LP TEL: 01 637 5833 FAX: 01 637 5838 TEL/FAX 204791
FILE: MASTERPLAN - 14, NOV. 88	
SCALE: 1:1250	DATE: 14.11.88
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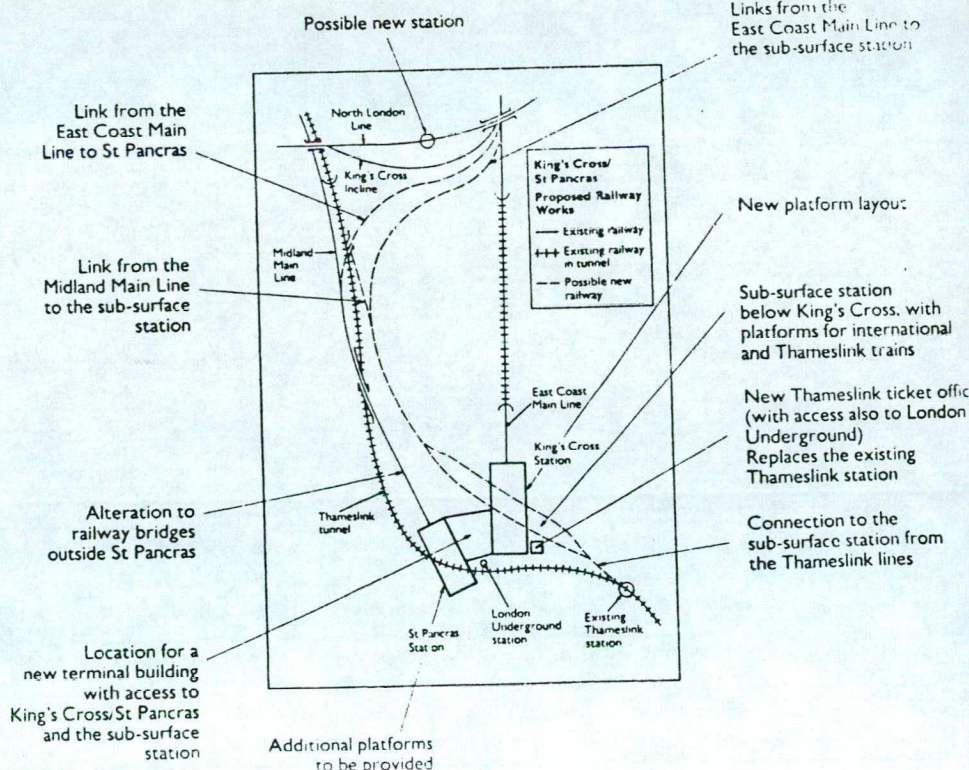
SF PANCRAS

(KING) C101

Schal  
 NEW PASSENGER CONCOURSE



THE MASTERPLAN is constantly evolving. This drawing, from the London Regeneration Consortium's document describing the far-reaching proposals, shows the latest conception of how the 120-acre site will be developed. The great vaulted terminal building, centre of so much attention, allows for a new central access road to be built. The teardrop-shaped area in the centre is a park with the Regent's Canal and listed Victorian gasholders retained.



## POINTS FOR THE MEETING

We do not have an agenda, but the following general points should be relevant to the discussion:

i. a new line and associated second terminal are major issues with wide economic implications. Decisions should not be rushed. They should be coordinated with development plans, and other Transport studies. It is ridiculous to plan the Central London Rail Study; the East London Rail Study; and the third phase of CFL services <sup>and separately</sup> simultaneously <sup>with</sup> so little scope for read across. Only last year DTp were saying no decisions necessary for some years from now.

ii. We already have huge proposed new railway investment in play, for which no public expenditure provision exists. Imperative to handle this properly in the Survey. Costs of Phase III also immense - over £1 billion. Most reluctant to rush into commitments like compensation package without proper financial appraisal and proper financing proposals.

iii. Need also to consider implications for privatisation of BR, and to keep open options for involving private sector as fully as possible in new line. But BR seem to be going full speed ahead without having first arranged private involvement.

iv. Must not pre-empt decisions on choice of second terminal, which is relevant to route of new line. BR has not justified its choice of Kings Cross but we are being painted into a corner by its publicity. What is wrong with Stratford if we are committed to regeneration of the East End?

v. We do not want any more loss making railways. But we are being pressed to make commitments about enhanced capacity for CFL services when BR's own forecasts show that it will not be justified until "well into the next century".

*It will probably  
be necessary to  
give some provisional  
reply in March,  
but not decide  
in firm  
expenditure  
commitments.*

vi. To announce in the next few months that the second terminal might need to be at Kings Cross, with the precise alignment of the new line across Kent, and to begin acquiring property will fix the design of Phase III in stone.

vii. A compensation package will represent a liability to sink large costs in Phase III. BR have estimated £500 million over the next 3 years. DTp have yet to put forward their own figures for agreement. Yet we do not even have an outline appraisal of the economics of this project to justify it. The only figures available from BR show that it may not be justified for about 30 years.

viii. ~~Great~~ pressure for early decisions. But not in a position to take decisions now. Must reign back on publicity and get a grip on the issues. Should be no financial commitments or commitments with expenditure implications before next Survey. It would be possible to have a project that cost so much in relation to benefits that it was not worth it. Must see evidence without delay that these proposals are not in that category. Certainly cannot take decisions without proper financial appraisals..

000135



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

13 February 1989

Dear Roy,

## CHANNEL TUNNEL RAIL LINK

My letter of 9 February mentioned that the Prime Minister wished a number of officials to attend the next meeting of the ministerial group (23 February) and the planned presentation (28 February). I suggest that your Secretary of State and the Minister for Public Transport should be supported by two officials, and the Secretary of State for the Environment and Chief Secretary by one each. Representation might be the same on both 23 and 28 February. For the 28 February presentation you told me that Sir Robert Reid would be unable to be present, but that Messrs. Kirby and Welsby would attend.

I am copying this letter to Roger Bright (Department of the Environment), Carys Evans (Chief Secretary's office), Mr. Bramall (Minister for Public Transport's office) and Trevor Woolley (Cabinet Office).

CHIEF SECRETARY	
REC.	14 FEB 1989
ACTION	Mr Moore,
COPIES TO	Cx, FST
	Mr Anson, Mr Mowbray
	Mr Cowards, Mrs Lawton
	Mrs Chaplin Mr Tyrie

Mr Call

Yes,  
Paul

PAUL GRAY

Roy Griffins, Esq.,  
Department of Transport



DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB

My ref:

Your ref:

CH/EXCHEQUER	
REC.	16 JAN 1989
ACTION	CST ✓ 161
COPIES TO	

Charles Powell Esq  
Private Secretary  
10 Downing Street  
LONDON  
SW1A 2AA

✓  
✓  
PMP

Dear Charles

16 JAN 1989

**EUROTUNNEL**

Since Neil Hoyle wrote to you on 6 January there have been continuous negotiations between Eurotunnel and their contractors Transmanche Link. If all goes well the end of the dispute should be marked by the signature of an agreement later today.

Eurotunnel's part of the settlement includes agreement on senior management changes and these are likely to be announced on Wednesday. The Managing Director, Durand-Rival, is standing down. His job will be split into two. Dr Tony Ridley - late of LRT and already a director of Eurotunnel - is becoming Managing Director (project); a Frenchman, Alain Bertrand, becomes Managing Director (operations). TML have already announced the name of their new Chairman, Philippe Essig, and further changes are expected shortly.

Amazing!

Progress on two of the three questions on which Eurotunnel have to satisfy their bankers - management changes and tunnelling performance - is therefore reasonably satisfactory. Attention has now shifted to the forecast of time and cost to completion.

The Company will hold a crucial meeting with the 22 lead banks in the lending consortium on 26 and 27 January. If they manage to convince the banks that there has been sufficient improvement in the three key areas, the way will be clear for them to continue to draw down the project loans. Alastair Morton has told my Secretary of State that the chances of a successful outcome are reasonably good.

I shall report further developments as they happen.

I am copying this letter to Richard Gozney (Foreign Office), Alex Allan (Treasury), Philip Mawer (Home Office), Neil Thornton (DTI) and Trevor Woolley (Cabinet Office).

*Yours ever*  
R J GRIFFINS  
Private Secretary



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DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB

My ref:

Your ref:

*Can this raised PPS  
in the 1988  
now? Frank,  
why not?*

The Rt Hon John Major MP  
Chief Secretary to the Treasury  
HM Treasury  
Treasury Chambers  
Parliament Street  
LONDON  
SW1P 3AG

CHIEF SECRETARY	
REC.	14 FEB 1989
ACTION	Mr Moore
COPIES TO	CX, FST EST
	Mr Anson, Mr Monek,
	Mr Edwards, Mr Lonax,
	Mrs Chaplin, Mr Tyne,

13 February 1989

*Dear John,*

*Mr Call, Mr Guy*

**BR HIGH-SPEED CHANNEL TUNNEL LINE: BLIGHT AND COMPENSATION**

As you are aware, BR plan to announce their preferred route for the high-speed line early in March. At the same time, they propose to announce a compensation package for those affected. I have given careful consideration to that package, which the Board believe is the minimum necessary to meet the pressure in Kent. I have reached the conclusion that the Board should proceed as they propose. We need, therefore, to consider the way in which the compensation will be financed, in particular the effect on the Board's EFL, and any knock-on effects on arrangements for road schemes. I shall be summarising these proposals in my paper for discussion with the Prime Minister on 23 February, but I thought that you and Nicholas Ridley would find it helpful to have this letter setting out the considerations more fully in advance.

I attach an annex setting out the Board's proposals in detail. There has been some discussion of these between our officials. The most important and most immediate element of the proposals is the undertaking to buy any property which will eventually be required for the line and any other property within 100 metres of the line in rural areas and 50 metres in built-up areas if the owner claims blight. Depending on which route is chosen, the Board's package could have a gross cost of between £170-400m. That range is dependent on the choice of route. The majority of the properties affected are in the London area, and any solution which involved a significant amount of tunnelling in that area would significantly reduce the costs. Route 1 is towards the bottom end of the range, route 3 towards the top. This is, of course, only the gross cost. The Board would expect to sell in due course those properties which were not physically required for the construction works, and would

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expect to receive at least 75% of the market price for similar properties not affected by the high-speed line. Thus, over time, the net cost of the proposals would be much lower. The Board estimate some £50-60m by the time the line begins operation.

The timing of the expenditure is equally difficult to predict. It is reasonable to assume that once the package guaranteeing purchase has been announced, those affected will have no reason to sell before construction begins, unless they have been planning to do so anyway. Thus, the cost could be spread over 5-10 years and loaded towards the end of the period. The Board's environmental advisers, however, believe that reaction to the line is so strong in many places that the majority of those affected may require the Board to purchase their property within 3 years. We think that many property owners will see the advantage of hanging onto properties for much longer than that.

In view of this, it is probably prudent to plan on the basis that gross expenditure could be about £50m a year for the next 3 years. For EFL purposes, it is the gross expenditure which is important, as BR are unlikely to be able to re-sell any of the properties purchased until a later stage. There is no provision for this in the Board's EFL for next year or in the IFR guideline figures for 1990/91 and 1991/92. We can discuss the later years in the course of the IFR discussions next Summer. However, we do have to consider now the effect of the compensation proposals on next year's EFL. Obviously, we shall have to look to the Board, in the first instance, to find offsetting savings elsewhere. However, the chance of accommodating all of this expenditure within the EFL does not, at present, look good. Although the Board have undershot their EFL significantly this year and last year, discussions we are having with the Board on the PSO grant for next year suggest that next year's EFL will be much tighter. I hope you will agree that we cannot allow the cost of compensation in Kent to squeeze out sorely needed capital investment, at a time when the railway network is under considerable pressure. In recent years the Board's property receipts have exceeded the IFR forecast. Consequently, we have ring-fenced property receipts so that proceeds above the IFR forecast have automatically reduced the EFL. I propose that if the Board are unable to absorb the cost of compensation within the EFL, the property ring-fence be relaxed to allow compensation to be financed by extra property receipts. I should be grateful to know if you are content to proceed on this basis. Of course, it is possible that extra property receipts next year will be insufficient to meet the cost of compensation, particularly if a larger than expected number of property holders ask BR to purchase their property. In that case, I may have to ask you to consider an increase in the EFL in the course of next year. I hope, however, that if you are content with my proposal on the property ring-fence the Board will be able to manage without that.

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We are of course expecting the private sector to become involved in this project. Some properties may well have to be purchased under BR's proposals before any agreement can be reached with a private sector partner. It might well be appropriate for the private sector to carry the risks involved in buying, managing and selling properties required for the construction of the line or affected by blight. Depending on the timing and terms of such an agreement it could significantly reduce the EFL impact of a compensation package, but we cannot at this stage plan on that basis.

I have also considered whether the Board's proposals will set an unwelcome precedent for road construction. The key difference is that while, once the line of a road has been announced, my Department is statutorily obliged to buy properties actually required for the construction of the road, if the owner serves a statutory blight notice, we do not buy any other properties at this stage. It is only after construction begins that the Department has discretionary powers to purchase properties on the owner's request, where serious loss of enjoyment through the effect of the works can be established. Each case is considered on an ad hoc basis and the discretion exercised in only a few cases a year. There is no equivalent to BR's proposal to offer to buy all properties within a set corridor.

There are proposals to improve the Department's powers in this area to allow the discretionary purchase of property on hardship grounds as soon as the route is announced rather than only after construction begins. This would bring the Department partly into line with BR. But the Department would still only purchase on a case by case hardship basis. The proposed extension of departmental powers to purchase, which would require primary legislation, will be included in a general consultation paper on compensation which Nicholas Ridley plans to issue in the near future, probably before BR's March announcement.

I have considered whether the Board's package will set a difficult precedent for the Department. There will clearly be some pressure for us to emulate BR and the Department's very sparing purchase of properties not required for construction and the ad hoc consideration given to each case will very probably be adversely contrasted with BR's more generous practice. I believe, however, that that pressure can be defensibly resisted. In the case of the high-speed line we are concerned with intermittent noise from trains at speeds of up to 180 mph, something unprecedented in this country. In the case of roads, the traffic noise is of a different nature and a more continuous kind. It is something to which many people have become used. The Board believe that adopting a discretionary approach along the lines of the Department's, with its resulting uncertainty, would be insufficient to meet the current concerns in Kent and that, if they announced such an approach, they would very quickly have to concede to pressure for compensation terms at least as generous as those they now propose. I have no reason to dissent from that judgement.

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I am copying this letter to the Prime Minister, Nicholas Ridley and to Sir Robin Butler.

*Yours,*

*Paul*

PAUL CHANNON

**CONFIDENTIAL**



### THE BOARD'S PROPOSALS

1. Once the route is announced the Board propose to:

(i) buy any property which will eventually be required for the construction of the line if the owner claims blight.

Properties would be bought at the market value obtaining elsewhere in Kent (ie, ignoring the effect of the proposed line);

(ii) buy any other property within 100 metres of the line in rural areas and 50 metres in built up areas if the owner claims blight. These properties would eventually be sold by the Board.

2. Once construction begins the Board will:

(iii) insulate against noise all properties which will suffer noise above 70 dB(A) (24hr Leq). The Department's preliminary view is that, taking into account the different forms of noise generated, this is broadly comparable with what the Department offers for its road schemes.

3. One year after the line begins operation the Board will:

(iv) be liable to pay compensation under Part I of the Land Compensation Act 1973 to those who can prove that the operation of the line has diminished the value of their property. This

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compensation is limited by the Act to the effect on property values of the physical effect of operation (eg noise, vibration) only, and excludes other effects such as visual intrusion.

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FROM: J M G TAYLOR

DATE: 15 February 1989

PS/CHIEF SECRETARY

*JMG*  
cc PS/Financial Secretary  
PS/Economic Secretary  
Mr Anson  
Mr Monck  
Mr D J L Moore  
Mr A J C Edwards  
Mrs Lomax  
Mr Guy  
Mrs Chaplin  
Mr Tyrie  
Mr Call

BR HIGH-SPEED CHANNEL TUNNEL LINE: BLIGHT AND COMPENSATION

The Chancellor has seen the Transport Secretary's letter of 13 February.

2. He has asked whether the Department of Transport raised this in the 1988 PES round (and if not, why not?). Perhaps PE could cover this point in their advice on the letter.

A handwritten signature, likely of J M G Taylor, consisting of stylized initials.

J M G TAYLOR

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DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB  
01 276 3000

My ref :

Your ref :

17 FEB 1989

Paul Gray Esq  
Private Secretary  
10 Downing Street  
LONDON  
SW1A 2AA

Dear Paul

CHANNEL TUNNEL RAIL LINK

Thank you for your letters dated 9 and 13 February. I am attaching to this letter papers for the Prime Minister's meeting on 23 February. At that meeting, my Secretary of State and the Minister for Public Transport will be accompanied by our Permanent Secretary, Sir Alan Bailey, and Mr Fortnam of our Railways Directorate. I expect us to field the same representation on 28 February, the presence from BR being as stated in your letter of 13 February.

Your letter of 9 February also asked my Secretary of State to put forward proposals for a possible meeting with Kent County Council and others. I shall write to you about this next week.

I am copying this letter to Roger Bright (Department of the Environment), Carys Evans (Chief Secretary's office), Steve Bramall (Minister for Public Transport's office) and Trevor Woolley (Cabinet Office).

CHIEF SECRETARY	
REC.	17 FEB 1989
ACTION	Mr Moore
COPIES TO	Mr FOSTER, Mr ALLEN
	Mr Moberg, Mr Edwards
	Mrs TOMAS, Mrs CHAPMAN
	Mr FINE, Mr G.

Yours  
R J Griffins

R J GRIFFINS  
Private Secretary

## NEW CHANNEL TUNNEL RAIL LINK - PAPER BY SECRETARY OF STATE FOR TRANSPORT

1. At some time after the Channel Tunnel opens, the existing railway lines in Kent will have insufficient capacity to carry the required mixture of Channel Tunnel passenger trains, freight trains and the existing domestic passenger services. The result will be a progressive deterioration in the reliability of all passenger services, and a tendency for freight to return to the roads.

2. If a new line is built for passenger services, it can be designed for high speeds, which will cut journey times and so increase revenue, and provide BR with a larger proportion of the revenues as set out in the agreement with SNCF. BR's aim is a 40 minute journey time, as this achieves the maximum return for it under that agreement. The line's commercial prospects will be enhanced by new high speed commuter services, and property development.

3. BR's plans for Channel Tunnel services and further background are set out in Annex 1.

### The Capacity Problem

4. Both BR's July 1988 Report and the independent Report commissioned by Kent County Council (KCC) clearly demonstrate that BR's existing network between London and the Channel Tunnel will be able to cope with the growth in international and domestic traffic for no more than a few years after the opening of the Tunnel in 1993. Traffic forecasting is of course notoriously difficult. BR forecast that demand will exceed capacity at about the turn of the century. This estimate is regarded as very cautious by most outside observers and by SNCF and Eurotunnel. The consultants employed by KCC agree, believing that new rail capacity will be needed virtually as soon as the Channel Tunnel is open.

5. Making the most optimistic assumptions about the time needed for legislation and construction, the new link could not be in operation before 1996. Therefore if the higher traffic forecasts are right, BR must press ahead with the project at maximum speed. The consequences of not doing so are addressed in the Annex. In addition to the national effects, Kent would suffer from congestion on rail and more traffic on the roads. This is recognised by KCC who examined the "do-nothing" option and concluded that that would be worse for Kent than building the new line.

#### The Economics of the Project

6. The BR plan is a new line which will carry passenger trains to both Waterloo and a new terminal, which they would like to be at Kings Cross. In July 1988 BR's rough estimate was that the project (including the second terminal) would cost about £1bn and that it would be economically viable at about 20 million international passengers a year - around the year 2010 on BR's forecast. BR's latest view is that a new line which incorporates large scale environmental protection - eg significant stretches in tunnel, particularly under London - could cost £1.4bn-£1.8bn. Insofar as comparisons are possible, this would suggest that BR would be spending proportionately much more than the French on environmental protection.

7. BR's original calculations excluded domestic passengers and including them helps the passenger revenues considerably. However, the scale of the environmental costs now identified, and without which we could not defend the proposals are such that the project may still not be viable until the next century, unless other ways of offsetting the extra cost can be found.

8. On the assumption that the Government position on subsidy remains unchanged (but see para 12), possible sources of additional revenues are:



- (a) enhanced property values when these can be tapped (eg BR expect to earn some £100m of additional property benefits from the provision of an international station at Kings Cross);
- (b) further contributions from BR's Network SouthEast traffic where the new line would enable BR to avoid investment which they would otherwise need to carry out to cater for domestic traffic growth;
- (c) additional freight revenues (the new line will increase by more than 50% BR's Channel Tunnel freight capacity on the existing lines);
- (d) private sector funding based on a more optimistic view of the traffic forecasts.

The importance of the private sector lies particularly in its potential involvement in (a) and (d) above.

9. Even if the viability of a new line is 10 or more years away, we still need to end the uncertainty in Kent and lead times are long. So BR should announce its selected route option and introduce a Parliamentary Bill without delay.

#### Private Sector Involvement

10. There have been several promising responses to BR's invitation to the private sector for participation in the project. A number of consortia have been formed (see Annex 2) and Lazards on behalf of BR will shortly be launching discussions with the most promising contenders.

#### Environmental Problems

11. British Rail, with or without a private sector partner, will not receive my support or Parliamentary approval for their Private Bill unless they can show that they have responded sensitively to environmental concerns. They have damaged their cause by giving the impression that their commercial remit does not permit extensive environmental protection measures.

12. We have made it clear to BR that the project must be commercial but also that it is BR's responsibility in designing the line to strike the right balance between environmental protection and commercial return. We have pointed out that the Government cannot subsidise the cost of BR's investment in Channel Tunnel rail services by virtue of Section 42 of the Channel Tunnel Act and that this provision accords with the Government's policy that one form of travel should not be subsidised at the expense of other forms. Both BR, KCC and some Kent MPs have argued that the Government should meet some of the environmental protection costs. We have resisted this to keep pressure on BR to look critically at the costs of the project. But it would be entirely in accordance with our stated policies to pay grant on account of external benefits (such as relief of road congestion) for which beneficiaries cannot pay direct. Unless we amend the Channel Tunnel Act we could not pay grant on these grounds for international services but we could do so for the domestic services which BR now propose should use the new line.

13. In practice, the corridors identified by BR in their July report were themselves designed to minimise the environmental impact of a new line, and were based on advice from environmental consultants. The work which BR have carried out since the report was published, which has included further work by the environmental consultants, has identified areas of environmental concern within the proposed corridors, and BR's chosen route will need to avoid these as far as possible.

14. The line which will be proposed by BR makes important changes from any of the routes suggested before, in particular by avoiding the villages north and south of Ashford, and by using tunnel under London (which has the advantage of substantially reducing compensation costs). These are important concessions which should be very welcome. It will still be intrusive in places eg on a viaduct across the Darenth Valley. However, BR will be able to announce that for most of the route very high speed running will not be necessary to achieve the 40 minute journey time which is their aim. That will also be welcome news to those affected.

15. BR will provide an environmental impact assessment of the new line; both I and Nicholas Ridley may have to provide the Select Committees with their assessment.

#### The Position in Kent

16. BR's decision to publish their report and to include in it three possible route corridors between the Tunnel and London was defensible. But BR's subsequent handling was naive and damaging with the result that a large and important element of opinion in Kent has little or no confidence in BR's ability to handle the project.

17. Michael Portillo and I have maintained close contact with Kent MPs and Kent County Council about the issues affecting them and the best timetable to be followed. Some MPs have threatened total opposition to the project, but most accept the need in principle for a new line while insisting on a sensitive approach to environmental issues.

18. Kent County Council officers and members have played their role with courage and skill. At its meeting on 23 February the full County Council is expected to endorse the view that new railway infrastructure (new tracks) is necessary in Kent, that none of BR's proposed corridors are acceptable in their present form and that to be acceptable any route will have to meet certain criteria. These include:

- use of existing rail and other transport corridors as far as possible;
- avoidance of built development;
- taking account of geological and drainage constraints;
- avoidance of lengthy embankments, and design of cuttings, tunnels, etc to minimise visual and noise intrusion.

19. Kent MPs and KCC are also anxious that the new line should bring direct benefits to the people of Kent. It will do this in a number of ways:

- (i) BR are almost certain to run express domestic services along the new line to Ashford and to East Kent beyond it. People in North Kent and the Maidstone area would also benefit enormously from a new "parkway" station (though this is a delicate issue for KCC, since they do not want anything to delay or amend their Strategic Plan priorities in East Kent).
- (ii) Travellers in the rest of Kent will benefit from reduced congestion as international passenger services transfer to the new line.
- (iii) The new line will release capacity on existing lines for freight which would otherwise be carried by road. The effects of this are difficult to quantify, but any reduction in lorry traffic through Kent must be welcome to local residents.
- (iv) Property prices in parts of Kent are bound to increase because of the excellent transport links.

20. It is the clear view of KCC and the great majority of Kent MPs that BR should, as soon as possible, announce their preferred route so as to remove blight and concern from as much of Kent as possible. The majority of Kent MPs also favour the introduction of a Private Bill at the earliest opportunity, ie November 1989. To meet this timetable, it is essential that BR should announce their preferred route (subject to further detailed consultations) in early March. They will need to cover in the same announcement:

- (i) the way which their proposed route takes account of environmental factors;
- (ii) the benefits to Kent;

(iii) their response on the question of speed (Annex 3);

(iv) the compensation package BR propose to offer (my letter of 13 February to John Major refers).

Provided BR handle this announcement sensitively and can demonstrate the extent to which they have taken notice of people's responses to their original proposals, much of the opposition in Kent could begin to subside.

### London

21. Similar problems of fierce local opposition arise in the London area. Most of this will be muted if the line runs in tunnel. If it does not, the problems in London will eclipse those in Kent because of the much larger number of houses affected.

22. BR's Report of July 1988 explains the need in the future for a second international terminal in London and contains a short list of possible locations - White City, Kings Cross and Stratford. BR has had to reach a view on this sooner than expected because it needs to safeguard a site within the redevelopment of the Kings Cross area. BR incorporated such a station on a contingency basis in a Private Bill which was introduced last November, and named Kings Cross as their preferred candidate in January. Kings Cross's central London location would generate more revenue because it is more attractive to international passengers and it is greatly superior from the point of view of through and connecting services to the rest of BR's network. A new low-level station at Kings Cross would also fit in with the plans for new London Crossrail (enhanced Thameslink) services (see map at Annex 4). The detailed reasons for BR's choice are set out in Annex 5.

23. The Department is discussing with BR their strategic financial appraisal with a view to giving provisional Government endorsement of BR's choice before BR's Private Bill gets its Second Reading, expected around Easter. But the Government's financial approval will be necessary before BR can proceed with the Kings Cross proposal, and that is some way ahead.

#### The Rest of the UK

24. Outside the South East, the pressure is to ensure that the new line is built, that there are no bottlenecks through London and between London and the Tunnel, and indeed for investment in new infrastructure - eg new high speed lines between London and the North. Northern MPs of all political parties are therefore likely to support both the new line and the choice of Kings Cross terminal.

#### Timetable and Handling

25. A special BR Board meeting either on the morning of 8 March or on 7 March will take the final decision on their proposed route. BR will announce it on 8 March. BR will first see the Kent MPs and the Evening Standard (towards the end of the morning) and use a press conference to unveil their proposal, and announce the full package of accompanying measures, concentrating on the improvements for the commuters in Kent and the proposed compensation arrangements. They will also prepare information packs and envisage hand-delivered information to those people in Kent on the affected route. Since this is a BR announcement to which at this stage the Government will be able to add very little, we should not offer a Statement in Parliament -but we do envisage a written PQ welcoming those elements which have been of concern - removing blight, compensation arrangements etc.

## Conclusions

26. I propose that:

- (a) BR should proceed to their announcement on 8 March.
- (b) BR will need to demonstrate that in selecting their preferred route they have been sensitive to environmental concerns, in particular the criteria formulated by Kent County Council.
- (c) At the same time BR should announce:
  - proposed compensation arrangements;
  - details of the improvements which could be expected for Kent commuters;
  - the disadvantages to Kent and the country of not proceeding;
  - details of the local consultation procedures to be followed.
- (d) The economic viability of the project in the shorter term may depend upon the participation of the private sector. BR should therefore press ahead with discussions with private sector consortia.
- (e) BR should be asked to refine their designs and cost estimates; to explore the possibilities for phasing the construction; and to examine in more detail the contribution the line could make to alleviating congestion on commuter lines in London.
- (f) BR should be ready to introduce a Private Bill in November of this year.

Background

1. British Rail's proposals for rail services to start operation through the Channel Tunnel in 1993 are for services which employ new trains, served by new depot and terminal facilities, but which run on BR's existing, though improved, rail network. These are the proposals to which the 1987 Channel Tunnel Act relates. Following the submission of a strategic investment appraisal in 1987, the Government approved in principle investment in passenger services between London and Paris, and between London and Brussels, and freight services throughout Britain (together designated as 'Phase 1') costing up to £550 million (1986 prices). This is equivalent to £606 million at 1988/89 price levels.

2. BR's proposals also included investment in through passenger services to and from stations north of London and an international station at Ashford. Decisions on these (designated 'Phase 2') have not yet been taken. They depend to a large extent on the longer term proposals for a new line and second London terminal ('Phase 3') which have emerged since both the Channel Tunnel Act and the strategic appraisal on which Phase 1 approval was based.

Phase 1

3. The major components of investment in the Phase 1 inter-capital passenger services are:

- the international terminal at Waterloo;
- track capacity improvements, resignalling and power reinforcements on existing routes;



around the country. On the basis of these consultations, they will be putting forward detailed proposals for through Tunnel freight services by the end of this year, as required by Section 40 of the Channel Tunnel Act.

6. The broad strategy for freight services for which Phase 1 provides is for electrically hauled trains, passing London on the West London Line to reach other regions of the country. Where necessary, short trains to and from different locations would be formed into longer Tunnel trains (or conversely broken up) at Willesden. These proposals would typically mean that a freight consignment from, say, the Midlands to a Northern European destination could save one and a half days compared to present rail-sea transport times. When the Tunnel opens BR expect to be carrying about 6m tonnes of freight, about treble their current international traffic.

7. For passengers the Phase 1 investment would be able to provide at least one hourly 3hr journey from London to Paris, plus a one hourly  $2\frac{3}{4}$  hour journey between London and Brussels (with additional trains as required up to 4 per hour). BR expect this to attract about 10 million passengers in 1993, growing to over 15m by the turn of the century. The introduction of services to places North of London and of an international station at Ashford (Phase 2) would increase these passenger flows. BR's original proposal for through trains to places North of London was that they should travel via the West London Line, with a station at Olympia, before joining the East Coast Main Line via a new link, or the West Coast Main Line. More recently, as Kings Cross, (operating as the second London terminal from 1995) has emerged as a preferred option, it has become increasingly likely that the awaited proposals will be for services using Kings Cross, with a mixture of night trains, through day trains, and day trains with an interchange. These Phase 1 and Phase 2 services are expected to be adequate in the early years of operation.

8. Without a new line, however, the potential of the expensive high-speed rolling stock would not be realised this side of the Channel. While Phase I investment will provide a considerably

faster journey between London and Paris or Brussels than is currently possible by rail and sea, trains will still only travel at an average of 50-60 mph between London and the Tunnel. Even this would be increasingly at risk as route capacity becomes more congested. British Rail would forego not only the benefits of potential custom, but would lose revenue through the penalties built into the receipts sharing agreement with SNCF and SNCB for insufficient paths and slow services. This is an important element in determining if and when investment in new capacity will become a viable commercial proposition.

### Capacity

9. It is the view of British Rail that these proposals, utilising the existing rail network, will provide sufficient capacity in the early years after the Channel Tunnel opens. In July 1988 British Rail published a Report on Long-Term Route and Terminal Capacity, outlining the results of the study that had been announced in the 1987 Kent Impact Study consultation document. The report describes expected route capacity as a maximum of:

- peak hours: three international passenger trains each way per hour;
- off peak daytime: four international passenger trains and two international freight trains each way per hour;
- at night: three trains, either freight or night passenger each way per hour.

This is sufficient to carry the traffic levels forecast by consultants (MVA) for British Rail until about the turn of the century, although BR would not be able to carry all passengers wishing to travel at peak hours at their preferred time. Passenger terminal capacity is expected to be adequate until about the same date. On higher traffic forecasts such as those used by SNCF and Eurotunnel, however, capacity problems of both Southern Region route and Waterloo terminal might begin to be felt within a couple of years of the Tunnel opening.

10. It is of course not possible at this stage to forecast exactly when lack of capacity will begin to cause problems, or when the need for extra capacity will become sufficient to justify further investment in route and terminal facilities. This depends crucially not only on the demand for Channel Tunnel passenger and freight rail services and its peaking characteristics, but also on the growth in demand for domestic NSE services.

11. It is nonetheless generally agreed that at some time between 1993 and the early years of the 21st century additional route capacity both through Kent and within London, and a second London international terminal, will be necessary if the full benefits of the Tunnel are to be realised. This could not be achieved by minor works on local bottlenecks but would require major investment in new infrastructure. This is also the view expressed in a recent consultants' report to Kent County Council.

#### Need and benefits of a new line

12. Both BR's own study and the independent report commissioned by KCC confirm that sooner or later BR's South East network, which is already slow and congested, will run out of capacity and be unable to cater for growth in international and domestic services. The KCC report argues that this will occur shortly after the Tunnel is open.

13. Both reports show that dealing with "pinch" points on the existing network will not be sufficient; a completely new line is needed. Simply widening any of the existing rail corridors and putting in extra lines is an option already rejected by BR on the grounds that this option would be as expensive if not more expensive than a new dedicated rail link, would be extremely disruptive to BR's existing services and to people living alongside existing rail lines and would not reduce journey times to the extent necessary to make the investment viable.

14. As traffic grows the rail links through London and between London and the Tunnel will become a major obstacle to the ability of the regions outside the South East of England to maximise the

benefits from the Channel Tunnel. The removal of this bottleneck is important if the country as a whole is to benefit from fast, direct through rail links from the UK's industrial areas and ports to the industrial and economic centres of Europe.

15. For international services the new line would serve both Waterloo and a second international terminal at Kings Cross (en route or with easy connections to the rest of BR's high speed network (125mph with the scope for 140mph on the East Coast Main Line)). It would allow the growth in international traffic to be met and international services to operate during the morning and evening peaks and would permit reductions in journey times of around 30 minutes between London and the Tunnel - bringing Paris within 2½ hours of London and Brussels 2¼ hours (see Annex 3 on speed). Shorter journey times will increase rail traffic and increase BR's revenues:

- (i) because of the increased traffic;
- (ii) because some passengers will be prepared to pay more for the higher quality of service;
- (iii) because BR's share of the total revenues will increase; the agreed formula between BR and SNCF rewards reduced journey times and increased reliability.

16. So far as international freight is concerned the new rail line between the Tunnel and London, whilst envisaged as primarily a passenger line, would nevertheless release additional capacity on the existing network for international freight services through the Tunnel. BR estimate that they could put 60% more freight through the Channel Tunnel if a new passenger line is built. This ability of the rail freight system to expand and to compete over the longer distances which favour it (eg Manchester-Milan, Birmingham-Barcelona) should offer some relief to the roads in the South East.

17. The new line would transform travel into London for many areas of Kent. Journey times from Ashford and East Kent beyond it could be virtually halved, as could journey times from Maidstone and some of the Medway towns if a mid-Kent parkway station were built. Congestion and over-crowding on existing lines would also be relieved and significant expenditure on the existing system could be avoided. The development of Ashford and East Kent, a key feature of KCC's structure plan, would be enormously assisted.

MAJOR PREQUALIFICATION APPLICANTS

**A. Acer Consortium**

Leader of Consortium

Acer Group

Members of Consortium

Acer Consultants Limited

P & O Group

BAA plc

Trust House Forte plc

Hambros Bank Limited

The Rugby Club plc and DHL will join the consortium shortly; others will join in due course.

Technical Advisers

Deloitte Haskins and Sells (financial management)

Halcrow Fox & Associates Limited (transport)

Pinsent & Company (lawyers)

Financial Advisers

None, as such; Hambros and Deloittes are consortium members/advisers - see above.

**B. Amec/Davy**

Leader of Consortium

None

Members of Consortium

Amec plc

Davy Corporation

### Technical Advisers

W S Atkins & Partners (consulting engineers)  
Transmark Limited (transport consultancy)

Note: it would appear that Amec/Davy's relationship with Transmark is non-exclusive; Euro Construction too (page 4) envisages Transmark involvement.

### Financial Advisers

The application states that the consortium has consulted and continues to involve merchant bankers and financial houses, who are unnamed.

## C. Costain Group Plc

### Members of Consortium

Costain Group plc  
Credit Lyonnais SA  
Sanwa Bank, Limited  
Spie Batignolles SA  
Taylor Woodrow Construction Limited  
Wimpey Construction Limited

It is proposed that the consortium will shortly be added to: the existing members will retain between 65 and 80 per cent of the enlarged consortium.

### Technical Advisers

Kennedy Henderson	- Consulting engineers and economists
Steer Davis & Gleave Limited	- Domestic independent traffic and revenue advisers
Setec	- International independent traffic revenue advisers

### Financial Advisers

J Henry Schroder Wagg & Co Limited.

**D. Euro Construction Limited**

Leader of Consortium

Trafalgar House Public Limited Company and BICC plc  
BICC plc (Balfour Beatty) are joint and equal owners

Members of Consortium

See 2 above

Technical Advisers

Travers Morgan Ltd in association with Rendel Palmer and  
Tritton Ltd (engineering, traffic and economics  
consultants).

Financial Advisers

Kleinworth Benson Ltd

**E. Laing/GTM/Mowlem**

Leader of Consortium

None.

Members of Consortium

John Laing plc  
John Mowlem & Company plc  
GTM - Entrepouse SA

In addition, the applicants have had a number of  
discussions with major construction companies who wish  
to participate; these would be introduced at a later  
date.

Technical Advisers

G Maunsell and Partners (engineering consultants)

Financial Advisers

Bank of America



**NEW CHANNEL TUNNEL RAIL LINK: THE QUESTION OF SPEED**

1. The common fleet of trains to be operated from 1993 by BR, SNCF and SNCB will be capable of operating at speeds of 180mph plus and will do so across large stretches of northern France. In 1993 it will take nearly as long to get from London to Folkestone (70 minutes) as from the Tunnel portal on the French side to Paris (over twice the distance).
2. If a new line is to be built between London and the Tunnel BR (and the other railways) will, all things being equal wish to utilise the performance of the trains. The shorter the journey times the more traffic will be generated. There is the additional incentive for BR that the revenue sharing arrangements with SNCF provide for an increased share of the revenue for BR if and when they reduce journey times (and a lower share of capital costs).
3. Environmentally, a line designed for high speed has two main disadvantages. The first is that it cannot as readily twist and turn to avoid particular features; the room for design manoeuvre is therefore more limited.
4. The second disadvantage is that the higher the speed the greater the noise. Although work is being done to make trains less noisy (the Channel Tunnel fleet will be less noisy than existing French TGVs) it is nevertheless the case that a train travelling at 180mph is considerably more noisy than a train travelling at 125mph (though the noise does not last as long).
5. The reduced design flexibility and increased noise are both factors which BR have to take into account since they affect the number of properties which BR may have to purchase or the number

of households which they may have to compensate. BR also have to judge the likely reaction of Parliament on such issues.

6. BR's operational requirement is to be able to get from the London termini to the Tunnel portal in 40 minutes. This would save 30 minutes on present journey times - an important "step" improvement and one which maximises the benefit for BR from the agreement with SNCF.

7. The line eventually chosen will represent BR's best view taking all these factors into account. There are bound to be compromises between possible journey time improvements on the one hand and protection of the environment on the other. For example there are likely to be significant stretches of tunnel (particularly in and around London) where it will not be possible to travel anything like 180mph. Equally there could be a stretch of around 30 miles around the mid-point of the line where BR may wish to take advantage of the performance of the trains to compensate for speed restrictions elsewhere.

7. Political practicalities, environmental concerns, noise concerns etc will all influence the final design of the line which will in turn dictate the speeds which will be available - at least as far as current technology is concerned. Providing all those factors have been taken into account there are no rational grounds for objecting to high speed as such. It might be much less objectionable to have a train travelling at 180mph through a well designed cutting rather than travelling at 125mph at surface level.

8. Some practical indications of the speed benefits are contained in the Appendix to this Annex. Purely domestic trains are unlikely to be designed to exceed 125mph.

## EFFECTS OF NEW LINE ON JOURNEY TIME AND SPEED

	<u>Distance</u> (miles)	<u>Without</u> <u>new line</u>		<u>With new</u> <u>line</u>	
		Peak journey time (minutes)	Average speed (mph)	Peak journey time (minutes)	Average speed (mph)
<u>Domestic trains</u>					
London-Maidstone	40	60	40	30	80
London-Ashford	56	75	45	45	75
<u>International trains</u>					
London-Tunnel	71	82	52	40	105
Tunnel-Paris	204	-	-	85	145

Note: 1) It is not clear whether the high-speed train will need to reach 180mph in order to achieve an average speed of 105mph in the UK; but the possibility cannot be ruled out.

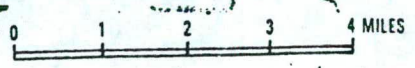
2) Outside peak hours international trains will take 70 minutes to get from London to the Tunnel; an average speed of 60mph.



**ENHANCED THAMESLINK SCHEME  
THAMESLINK 'METRO'**

MAP 7

- Enhanced Service between  
West Croydon/Sutton and  
Enfield Chase/St. Albans
- Existing NSE Lines
- Existing LUL Lines
- Docklands Light Railway



**SECOND LONDON TERMINAL: THE CASE FOR KINGS CROSS**

1. The commercial advantages of Kings Cross, from BR's point of view are:

- (i) it is more conveniently located for most of their customers;
- (ii) it provides better interchange with most other BR services;
- (iii) it is better served by public transport, even after allowing for the improvements proposed in the Central London Rail Study;
- (iv) it would be more convenient for the domestic services which are also likely to use the new high-speed line;
- (v) it would increase the likely benefits to BR of the proposed property development at Kings Cross.

It would also fit in with London Crossrail plans (enhanced Thameslink).

2. Against this, a terminal at Stratford would be cheaper to build, and is supported by a number of London local authorities and by the London Planning Advisory Committee, who consider that it would assist the economic regeneration of east London. Given BR's commercial remit for its Channel Tunnel rail services, they cannot be expected to choose a terminal which is less profitable for them, and they consider that the greater cost of Kings Cross would be more than offset by the greater revenues which it would attract.

3. White City might cost even less than Stratford but would involve a longer journey time to the Channel Tunnel than either of the other options. It would share the other disadvantages of Stratford. There would probably be little to choose between White City and Stratford in purely financial terms. White City, however, has no support among local authorities and BR's analysis has therefore concentrated on the choice between Kings Cross and Stratford.

4. A disadvantage of Kings Cross is that, because of its association with the property development package and the timing of that development, the low-level station must be constructed well in advance of the time when a second terminal becomes essential, whereas a terminal at Stratford need not be constructed until Channel Tunnel traffic requires it. However the low level station will also be needed for commuter services if the Thameslink project, identified as a front runner in the Central London Rail Study, goes ahead; and international trains would be able to use the Kings Cross terminal before the new line is constructed by sharing the Thameslink route with NSE. BR's view, based on advice from independent property consultants, is that the increased rental values generated within the Kings Cross development as a result of the presence of an international terminal will be sufficient to offset much of the cost of providing the terminal in advance of need.

5. Assuming that 50% of trains serve each of the two London terminals, BR have calculated an average journey time from the London terminal to the Tunnel and an average access time from passengers' origins/destinations to the London terminal for each of the terminal options. Assuming a new line, the journey time to Stratford will be 3 minutes faster than to Kings Cross but it will be on average 18 minutes quicker for passengers to get to their destinations from Kings Cross than from Stratford. Although the number of people for whom Stratford is more attractive may increase as the redevelopment of Docklands proceeds, this will not be sufficient to offset the greater attractiveness of Kings Cross to most other passengers. BR estimate the net present value of

the greater revenue which they will receive from a second terminal at Kings Cross rather than Stratford at well over £100 million.

6. Against this, a terminal at Kings Cross would cost some £40m more than one at Stratford. The difference increases to nearly £200 million if the cost of a terminal at Kings Cross in 1995 and the cost of one at Stratford in 2010 (which is when it would be needed on BR's traffic forecasts) are discounted back to a common point (1993). But BR would expect to receive about £100 million more in property receipts associated with a terminal at Kings Cross in 1995 than from one at Stratford in 2010.

7. So it seems likely that the case for development at Kings Cross can be established provided that BR are effectively able to tap the increased rental values there. The case for Kings Cross would strengthen considerably if a new line was justified before 2010 and if the Thameslink improvement goes ahead.

CONFIDENTIAL

FROM: D J L MOORE  
DATE: 21 FEBRUARY 1989

CHIEF SECRETARY

cc: PS/Chancellor  
PS/Financial Secretary  
PS/Economic Secretary  
Sir P Middleton  
Mr Anson  
Mr Monck  
Mrs Case  
Mrs Lomax  
Mr Guy  
Mr Morgan  
Mr W White  
Mrs Chaplin  
Mr Call  
Mr Tyrie

**CHANNEL TUNNEL RAIL LINK**

Mr Channon's paper of 17 February is for the Prime Minister's meetings on 23 February and, with BR in attendance, on 28 February.

2. His recommendations are summarised in his paragraph 26. The main proposals are that:

i. on 8 March, BR should announce the precise route of the new link through Kent, to London; the compensation arrangements for those blighted; and the potential attractions for Kent commuters;

ii. in the summer, there should be further work on the costing of the line and on private sector financing;

iii. BR should be ready to introduce a Private Bill in November.

Apart from admitting to a major cost escalation, the paper is unblemished by figures. It does not say which route BR will choose, and how they have balanced environmental concerns and costs. Transport regard this as entirely for BR, subject to the consultation processes, and Parliamentary vetting of the Bill.



3. It was reasonable for BR to consult on the broad options for a new link which will be needed in due course. But they foolishly caused uproar in Kent by drawing lines which were too precise and by underplaying the need for environmental protection. This has led the Prime Minister to require a single proposal for a route to be announced at the earliest possible date, in order to reduce and better define the present blight problems.

4. If this happens, there are early public expenditure costs because of the need to compensate for blight. This is discussed in more detail in Mr Guy's minute of today.

5. This apart, our main concerns are whether the new link as proposed makes economic sense; whether an acceptable private financing scheme can be developed; the public expenditure and privatisation implications of any financing contributions (in part or in whole) from BR's Network SouthEast and from road congestion relief grants; and whether the second terminal should be at Kings Cross or Stratford. These considerations turn in part on when the project might go ahead.

6. The fact that a single route will be chosen now, and a Private Bill introduced in November, does not mean that the link would be built as soon as the Bill was enacted. Indeed, unless the private sector is prepared to take on the risks, it would be foolish to decide on the timing until the Tunnel has opened (1993) and traffic has been running for at least a year. I am not clear from the record of the last meeting that the Prime Minister has yet focused on this crucial point.

7. I suspect Transport's position is roughly this (though they would put it more elegantly). Capacity may be exhausted by 2000 or earlier. We reckon the PM wants the link ready by then. So we better start building it as soon as possible. We do not know whether or when the link will be commercially viable. It is illegal to subsidise it for international traffic, and we will not be let off that hook. So let us put in NSE money and some grants for domestic reasons. That will bridge some of the gap. But in

any event the politics override financial worries. We are taking a punt but it is unimaginative (Treasurylike) to do otherwise.

### Timing

8. We accept that when present capacity is taken up it would be more expensive, and environmentally more difficult, to expand the present lines rather than have a new link. But there is enormous uncertainty over when the new link would be commercially viable. BR have been using 2010 as a central assumption. Others, including the consultants to the French, Eurotunnel and Kent County Council think that it could be very much earlier. They could be right - witness what has happened with the M25.

9. There is ample room for confusion here. At some time unconstrained demand (ie, not choked off by fare increases) would begin to exceed capacity. On BR forecasts, that will be about the turn of the century (paragraph 4) or in "the early years" of the next century (Annex 1). But whenever it is, it will be earlier than the optimum time for economic viability.

10. Last July BR thought that optimum time was around 2010. Since then two things have happened. They have been encouraged to take a more optimistic view of use of the line by Kent commuters. But their estimates have been bumped up from £1 billion to £1.4-£1.8 billion. At a guess - and we are not favoured with figures - the net effect is that there may be no commercial case for the link to be operational before 2010, and it could well be later.

11. The significance of this is that BR need as much as 8-10 years before the new line could be operational. Of this, around 2 years is needed for the passage of the Private Bill. The rest is taken up in building the line and the tunnels into London, with the latter being the main reason for the very long time. So, if there were no commercial case for a line operational before 2010 there would be no need to start bulldozing before, say, 2002 at the earliest.

12. This raises the question of whether a Private Bill should be presented in November 1989. We think that it should:

i. a link will be needed at some time, and the PM wishes to remove as soon as possible the uncertainty over the route which it will take;

ii. there might be a need to start bulldozing in the 1990s and so it will help to have the legislative authority available;

iii. (a political point) you may want to get this Bill out of the way in good time before the next Election.

13. Our reservation on this is that it could turn out to be the wrong course if the economics of the project go haywire and there is no justification for it until well into the next century. In that case it might be better to look for lower speeds, over a less environmentally difficult route which could be commercially justified earlier. You may like to probe this, although it does not sit happily with announcing a firm proposal on 8 March - unless it were accepted that a new firm proposal could be made later, if necessary.

14. But it should be made very clear that presenting the Bill this year does not prejudice when the building of the link will start. If it did begin prematurely, public expenditure costs would shoot up - either through direct subsidies in and of domestic usage or through BR getting much less advantageous terms from a private sector taking on much higher risks than otherwise.

#### Financing

15. There is already some private sector interest in this project and consortia have been formed - see Annex 2 of the paper. But it is too early to say whether these will bear palatable fruit. You will want to make very clear that any private sector participants must assume the risks, in particular those related to usage of the line and those of going earlier than BR might think justified.

Their package should, if possible, include taking responsibility for the blight compensation scheme. This further work will be a valuable cross check on BR's own costings of the scheme.

16. If the private sector proposals come to nothing, all the costs will be met from public expenditure and since the Government does not intend - indeed is not empowered - to subsidise Channel Tunnel related investment for international services this expenditure should not start until we were confident that it could be remunerated. And we cannot form a sound judgement on this before 1994.

17. But even if the private sector do participate, there will still be some public expenditure implications. Inspired by the evident cost escalation and financing problems, Transport are now arguing for contributions from Network SouthEast for domestic traffic (paragraph 8(b)) and for road congestion relief grant (paragraph 12).

18. The argument for NSE financing is that the new line has potential benefits for Kent commuters: eg, those getting on at Maidstone or Ashford could save 30 minutes on their present journey time. Others could get onto domestic trains stopping at other stations on the new line. Transport say this could mean that alternative NSE investment might be avoided. We have seen no figures on this. It is essential to establish what it means for NSE's viability. They are already examining the implications for NSE fares, and viability, of the CLRS and other investment. We need to know how much more would be implied by charging NSE, and their passengers, for usage of the new link. We must also find out whether Transport are, instead, after grant financing for non commercial activities.

19. Paragraph 12 of the paper points out that "it would be entirely in accordance with our stated policy to pay grant on account of external benefits (such as relief of road congestion) for which beneficiaries cannot pay direct." This would be applied to the Kent domestic services which BR now propose should use the new line. A case might be made for such grants, which should then

be found from the provision for the road programme. But the danger is that Transport will try to use them to balance the books as the overall financing becomes more difficult.

20. We also need to look very carefully at the benefits claimed for additional freight revenues. The roads paper for EA suggests that freight growth will be constrained by the capacity of the Tunnel itself, rather than the lines to it; and it is questionable whether Rail can compete effectively for freight against the road haulage operators.

### Compensation

21. This is discussed in more detail in Mr Guy's submission of today. After the Prime Minister's meeting we will provide you with a letter in reply to Mr Channon's of 13 February. The key points for the meeting are:

- i. we accept that once a route is announced BR will have to compensate for blight;
- ii. it is important that Mr Ridley and Mr Channon confirm that the terms of the BR scheme will not be repercussive on other blight compensation programmes;
- iii. BR must cover the costs from their present IFR provision by being more vigorous, if necessary, on their property disposals. They should aim to get the private sector to take over responsibility, provided the terms are acceptable to us.

### The second terminal: Kings Cross or Stratford?

22. The main terminal for Channel Tunnel traffic will be at Waterloo. But there is a need for a second terminal. BR want it to be at Kings Cross rather than at Stratford, in East London. (White City is no longer a runner.) This is discussed in paragraphs 22 and 23 of the paper, and in Annex 5.

23. We first saw a detailed case for this on 16 February. BR conclude that it is highly likely that Kings Cross is the best option though they acknowledge that "it is not a totally robust choice". Transport broadly go along with this although they are still probing. We are putting a number of questions to them. We have not reached conclusions yet.

24. Other things being equal the second terminal should be ready when the new link becomes operational - 2010? On BR's present figuring Kings Cross seems better than Stratford. This rests very much on the argument that Kings Cross is much more accessible to the average traveller. But we have some suspicions, which we will probably not be able to prove, that BR are tilting the cost estimates against Stratford.

25. But other things are not equal. Irrespective of the link, there is a massive private sector property development scheme for the Kings Cross area from which BR will be a major beneficiary. The Private Bill for this scheme was laid last November. But if the second terminal is to be at Kings Cross it will have to be at low level and underneath the new development. Therefore it has to be built in the early to mid 1990s and in advance of completion of the link. It would be too costly to keep the option open. BR claim that this premature investment at Kings Cross could still be more cost effective than the alternative of building a link at Stratford in 2010, or whenever the link becomes operational. This may be right. Much turns on whether BR can secure benefits from the enhancement to the value of the property development. There are also benefits claimed for NSE developments, such as the new Thameslink Line for which a financial case has yet to be made.

26. So our present position is that Kings Cross may be the better choice. We have some suspicion of the figures, which will be difficult to press home successfully. But further work is necessary.

27. The urgency is that the Kings Cross Bill will receive its second reading around Easter. Transport will then want to say that BR's choice of Kings Cross has provisional Government

endorsement. Although financial approval will be necessary before BR can proceed, and that is some way ahead, it would be difficult in practice to alter the decision once endorsed.

28. In our view they will also need to say something on 8 March and this, unless we make very fast progress, must leave open the question of whether it would be Kings Cross or Stratford. To do that, it would be necessary to say that the link will go to Waterloo and either to Kings Cross or to Stratford, travelling either through tunnels or over BR's own land ie, either way with no environmental hazard. It should also be made clear that no decision has been made on whether Channel Tunnel trains will run beyond Kings Cross (or Stratford) to the north.

### Summary

29. Given the outcome of the Prime Minister's earlier meeting we recommend you accept that the choice of a single route should be announced on 8 March. You may, however, want to question what will happen if the financial appraisal turns out to be disastrous, in which case some different solution might be appropriate. You will wish to be assured that Mr Channon has a practicable escape route for the Government, and the taxpayers, if that happens.

30. As recommended in Mr Guy's minute, we advise you to accept that there should be a compensation scheme;

- with no commitment to add to BR's present public expenditure provision
- on the understanding that options will be explored for any private sector contractor building the link to take over the house purchase/blight responsibilities
- provided that BR's terms are accepted as not creating undesirable precedents for other compensation schemes

After the meeting we will provide you with a draft letter setting out these and other points in more detail.

31. We recommend that you agree provisionally to the introduction of the Private Bill in November. But it must be made clear in March and subsequently that it does not follow that work on the link will start as soon as the Bill is enacted.

32. We will want to look at the private sector proposals for financing and in particular to satisfy ourselves that these provide for the taking on of the risks - cost escalation, disappointing usage etc. This work with the private sector will be a useful check on the frightening escalation in the costs estimates.

33. We also need to look very critically at Transport's proposals for NSE contributions to the financing of this project, and for road congestion relief grants. Both would have public expenditure implications. In particular we would need to see what this involvement would mean for the progress of NSE to commercial viability and for its fares policy (bearing in mind that fares will already have to go up for financing Central London Rail Study and other projects). This is also relevant to the prospects for BR, and NSE, privatisation in the next Parliament.

34. On the question of the location of the second terminal it may well be that Kings Cross is the better choice than Stratford. But, as BR and Transport acknowledge, further work is necessary and we are putting questions to them. By the time of second reading of the Kings Cross Private Bill, at most the Government might say that there is broad agreement in principle to Kings Cross though this is subject to financial approval on the back of more detailed subsequent work. Something will have to be said presumably on 8 March and, unless quick progress is made, this should be a holding statement neutral between Kings Cross and Stratford but making clear that both would be environmentally protected.



35. I strongly recommend that you insist that HMG should vet BR's statement on 8 March. It is crucial that they do not say too much and give undue commitments. It is not good enough to argue that they should be left to exercise their own commercial judgement on this statement. They seriously mishandled earlier stages of this exercise. There are enormous political and expenditure implications in what they say. In particular their statement should not be in terms which suggests to the private sector that the Government is desparate for private sector financing; otherwise we are going to get very poor terms from them.

36. In general, you have every reason to feel uneasy about this project. The political commitment to it seems to be growing, but there is no appraisal of the costs and benefits to suggest that it will be viable for many years to come. We cannot assume that the private sector will build and finance it on acceptable terms.

*DJM.*

D J L MOORE



000161

*Handwritten signature*

10 DOWNING STREET

From the Private Secretary

LONDON SW1A 2AA CHIEF SECRETARY	
REC.	24 FEB 1989
ACTION	Mr Moore,
COPIES TO	CX, Mr Anson,
	Mr Monek,
	Mr Guy.

23 February 1989

Dear Roy,

*Handwritten notes in red ink:*  
I don't know how to look at this @ all!

CHANNEL TUNNEL RAIL LINK

The Prime Minister held a meeting this morning to discuss the paper attached to your letter to me of 17 February. Those present were the Secretaries of State for Wales, the Environment and Transport, the Chief Secretary and the Minister for Public Transport. Also present were Sir Alan Bailey and Mr. Fortnam (Department of Transport), Sir Terry Heiser (Department of the Environment), David Moore (H.M. Treasury), Greg Bourne (No.10 Policy Unit) and Richard Wilson (Cabinet Office).

I should be grateful if you and copy recipients would ensure that this letter is seen only by those with a strict need to know.

The Prime Minister said that the Ministerial group had already had an initial discussion of the issues on 9 February. The purpose of the present meeting was to take that consideration further, as a preliminary to the presentation that British Rail would be giving of its proposals in the following week.

In discussion, the following points were raised:

- (i) your Secretary of State's paper indicated that BR was likely to propose significant stretches of tunneling, particularly under London. It would be essential for this proposal to be fully thought through. The tunneling would need to be deep and involve a significant gradient on the line; that would mean it could be suitable only for passenger and light freight traffic, and not for heavy freight traffic. The new line would, however, free up large amounts of capacity on existing lines for heavy freight traffic. The resultant overall rail capacity would be substantially greater than the capacity of the Channel Tunnel itself;

- (ii) it had been agreed at the meeting on 9 February that your Secretary of State would be in the lead publicly on the proposals, including the planning aspects, although it would be important for there to be close consultation with the Department of the Environment. However, if a proposal was forthcoming for a Parkway near Ashford, there would be great difficulties in the planning aspects being handled via the Private Bill. It would therefore be appropriate for such a planning proposal to be handled in the normal way by the Department of the Environment.

The discussion then turned to the proposed conclusions set out in paragraph 26 of your Secretary of State's paper. Summing up the discussion, the Prime Minister said it was agreed in relation to the points in that paragraph that:

- (a) BR should proceed and plan for an announcement on 8 March, but it would be essential that all aspects of their proposals should be fully worked through.
- (b) It would be of particular importance for BR to demonstrate that they had fully taken into account the environmental concerns.
- (c) The compensation arrangements were currently under discussion between your Secretary of State and the Chief Secretary, and these should be settled before the announcement. BR should include in their announcement details of the improvements for Kent commuters. They should also cover the local consultation procedures, which it was envisaged would not involve large public meetings but would focus on local exhibitions, maps, etc. In the overall presentation, it would be important to emphasise the advantages of proceeding with the proposal, rather than the disadvantages of not proceeding.
- (d) There would inevitably be some uncertainty in the short term for the private sector in formulating its proposals for participation in the project, but it would be important that the announcement should not give a major incentive to the private sector to look for a public subsidy. The BR announcement should not therefore give a commitment to the date of commencement of the work on the project, although it would be necessary for some indication of the timetable to be given; your Secretary of State and the Chief Secretary should consider further the precise form of words to be used.
- (e) BR should be in no doubt about the importance of ensuring they had thoroughly explored all these aspects.

- (f) Once the announcement had been made, it would be important for rapid progress to be made with the project. There would therefore be major difficulties if a Private Bill was not introduced in November 1989.

The Prime Minister also invited your Secretary of State and other Ministers to put in hand the preparation of detailed questions that could be put to BR at the presentation on 28 February.

I am copying this letter to Roger Bright (Department of the Environment), Carys Evans (Chief Secretary's Office), Stephen Bramall (Office of the Minister for Transport) and Trevor Woolley (Cabinet Office).

Yours,  
Pc

PAUL GRAY

Roy Griffins, Esq.,  
Department of Transport.

CONFIDENTIAL

FROM: W A GUY  
DATE: 21 FEBRUARY 1989

- 1. MR. MOORE
- 2. CHIEF SECRETARY

cc: Chancellor  
 Financial Secretary  
 Economic Secretary  
 Sir P Middleton  
 Mr Anson  
 Mr Monck  
 Mrs Lomax  
 Mrs Case  
 Mr Edwards  
 Mr S N Wood  
 Mr A R Williams  
 Mr W White  
 Mrs Chaplin  
 Mr Tyrie  
 Mr Call

I am briefing today on X, which looks at the link in general.

After the PM's meeting we will let you have a draft letter on compensation, and on any other outstanding points

JW 21/2

**BRITISH RAIL AND THE CHANNEL TUNNEL: BLIGHT COMPENSATION FOR NEW HIGH SPEED LINE**

Mr Channon wrote to you on 13 February with proposals for a blight compensation package to be activated when BR announces its preferred route from the Channel Tunnel to a second London passenger terminal. You will receive separate advice on the paper for the Prime Minister's meeting on 23 February (circulated on 17 February by his private office).

2. The blight compensation package has a particular significance out of all the unsatisfactory elements in the preparations for Phase III for a number of reasons:

i. its activation would represent significant expenditure and financial commitment to the Phase III project ahead of other elements;

ii. it would (initially at least) be expenditure by BR, despite Mr Channon's assurances that Phase III will be a private sector venture;

iii. it could increase the perceived political commitment to early implementation of Phase III;

Present in to Mr Guy

*Handwritten notes:*  
 BRK & Mr Channon  
 Have shown over this  
 V. talk on this  
 And Alan Baiton out of  
 for in Mr Baiton's  
 through advice of  
 (Mr Guy?)

- iv. as proposed, it would increase the generosity of blight compensation arrangements, with possible repercussions into other programmes; and
- v. there is no Survey provision for it.

### Background

3. You will recall that for railway schemes, unlike road schemes, there is no statutory requirement to pay blight compensation until the authorising private Bill has been enacted. The timetable envisaged for the Phase III new line is for a private Bill to be introduced this November. It would be unlikely to receive Assent before 1991. But BR wish to announce their preferred route in early March, and the Prime Minister is anxious to see early clarification given to Kent. It would be unreasonable for those blighted by the preferred route to have to wait over two years - and maybe more if the Bill did not have a fair passage - for compensation when genuine hardship could arise in the meantime.

4. In the case of road schemes, compensation becomes payable whilst a public inquiry into the route is underway. The discrepancy between this procedure and that for railways has only endured because it is over a hundred years since there was a major surface railway project outside the operator's land.

5. BR does, however, have discretionary powers to pay compensation in advance of the statutory requirement. It is already exercising these powers on a case-by-case basis. The proposal is that when the preferred route is announced, this extra-statutory compensation should be put onto a more formal basis, with published criteria. It is difficult to dissent from this aim in principle.

### Proposed criteria for compensation

6. DTp Ministers have decided to endorse BR proposals for compensating in respect of properties lying within 100 m of the preferred route in rural areas and 50 m in built up areas, and in

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addition meeting the costs of noise insulation beyond that margin once the new line becomes operational.

7. What this means in practice is that BR would buy properties in a corridor 200 m wide across rural Kent and 100 m wide in built up areas (such as Ashford and the London approaches), as and when the owners offered them for sale to BR. The valuation would be done at market price, excluding the downward impact of the new line, but reflecting any general upward movement in Kent property values, whether due to the new line or not.

8. When eventually the new line is built not all the property in the compensation corridor will be demolished. BR expect to be able to sell off property either side of the line for 75 per cent of the price they pay for it. This seems rather optimistic. In the meantime, they would rent it out, assuming there is a big enough market for that sort of rented property in rural Kent, which may also be optimistic.

Costs and timing

9. In the DTp scenario, which looks increasingly implausible against a background of rising political commitment, the new line in Phase III would only be implemented prematurely if the private sector bore the commercial risk in it (BR believe that a new Phase III terminal at Kings Cross can be justified earlier without the new line: you will be receiving advice on that separately). That means that if private finance does not come forward on acceptable terms, or if BR do not dramatically increase their demand forecasts, or if grants or subsidies (eg, via allocating a share of the costs to the NSE) are not found, the new line will not be completed until some time in the next century. Indeed, work on it might not begin in this century.

10. The cost estimates of the line are rising daily, and now are put at between £1.4 and £1.8 billion. Costains think that £2 billion is the right ballpark. In the absence of much higher demand forecasts, this will defer the point at which the line would be commercially justifiable to BR. Originally they thought that it would be justified in the first or second decades of the

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next century on their demand forecasts, and around the turn of the century according to the French. Costs of £1.5 billion could defer the date for about 15 years. Higher costs would defer it further.

11. But the acquisition of property has already started. BR has already spent some £10 million and is in negotiation for a further £5 million to £10 million (on all four published routes). Publication of the preferred route and compensation details may either speed up blight claims or damp them down a bit (the compensation package may allay panic). Much would depend on the phrasing of the announcement and what it said about the likely timing of construction. BR have not been very sensitive to local concerns so far: we shall need to vet their draft. The BR Board foresee a hasty evacuation of the preferred route, leading to a full spend under the compensation package (excluding subsequent noise insulation) within three years - ie, 1989-90, 1990-91 and 1991-92 (the current Survey period). DTp think it could take rather longer. Both agree that the cost next year could be £50 million or more.

12. In the longer term costs will depend on the extent of the blight and the timing of takeup. On the former, the uncertainty is over the precise specification of the preferred route. Mr Channon's gross costs range of £170 million to £400 million covers all four routes. Route 1 should be towards the lower end of the range. And the more the route goes in tunnel through the London approaches (which will put up total project costs) the less property is blighted. A spend of £50 million a year throughout the Survey period is the best estimate we can offer at the moment.

### Financing

13. The Chancellor has asked whether Mr Channon bid for Phase III in the last Survey. He did not. It was only after the Survey that the row started in Kent. When the BR report showing the possible route corridors was published last July it attracted little hostile attention.



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14. We saw the report in draft just before publication. DTp resisted our suggestions that BR should present the need for a new line as highly uncertain, but they assured us that publishing the report would not produce blight - a point which we specifically queried (my submission of 12 July 1988).

15. The plan was that the possible route alignments would be described only as broad indications of possible corridors. It seems to have been insensitive and high-handed behaviour by BR which translated this into a perception that there was an immediate threat and plans at that stage to knock down specific houses. Errors like the discovery that one of the routes went through a new housing estate not marked on BR's map did not help.

16. As described in my submission of 12 July DTp expected that the only spending on the new line in the current Survey period would be a few hundred thousand pounds on engineering consultancy.

17. Mr Channon now proposes to find the extra money by i) relying on extra BR property receipts and ii) dropping the property ringfence by which such extra receipts would be prevented from financing extra spending and would instead flow directly into a reduced EFR. Failing i) he would bid against the Reserve.

18. He makes this all look costless, but it is very irritating as well as costly. The property ringfence exists as a compromise between your IFR position that the forecast of property receipts was too cautious and Mr Channon's robust insistence that it was not. Only a few months after he signed up to a settlement, he is saying in effect that you were right all along.

19. You will wish to remind him of that, and to maintain that if the compensation costs exceed additional property receipts, the extra must be absorbed by BR - or in extremis that an EFL increase would have to be financed by a reduction in another DTp programme - rather than passed to the Reserve.

Conclusions

20. You will receive separate advice for the Prime Minister's meeting on Thursday, setting the context in which the blight compensation package needs to be seen. You will be able to judge how to frame your response after that meeting. For the meeting, the following points are relevant:

i. under this proposal, BR would buy up to £400 million of property in Kent and London - maybe over the next three years - and would sit on it until perhaps well into the next century;

ii. it is optimistic to assume that 75 per cent of the cost of undemolished property can be recouped; and it is optimistic to imagine that it can all be rented out in the meantime;

iii. for BR's property portfolio it represents a major increase, a move in the wrong direction;

iv. when the detailed route is announced, it must somehow keep open the choice between Stratford and Kings Cross for the terminal if that has not been announced by then;

v. can live with broader compensation terms for this project providing Mr Ridley shares Mr Channon's view that repercussions into other programmes can be prevented; but

vi. before activating compensation we need to be assured that the new line as currently envisaged makes economic sense. If it costs so much as to defer the date of commercial justification too far, might be better to go for less environmentally disruptive route for speeds less than 180 mph - meaning different compensation terms and different route.

vii. not impressed by Mr Channon's failure to foresee the expenditure need when bidding in last Survey, nor by his

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sudden discovery that the property receipts forecast which he so stoutly defended is probably too low. Prepared to drop ringfence for 1989-90, but not prepared to increase BR EFL without offsetting reduction in some other programme. So if extra property receipts not forthcoming as offset, costs of blight compensation must be absorbed in some other way.

*W A Guy*

W A GUY



000170

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

28 February 1989

Dear Sir,

## CHANNEL TUNNEL RAIL LINK

Thank you for your letter of 24 February enclosing questions for the Prime Minister to use at the presentation by British Rail. The Prime Minister was most grateful for this.

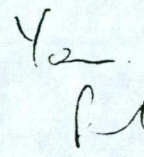
I should be grateful if you and copy recipients would ensure this letter is seen only by those with a strict need to know.

The presentation duly took place this morning. The BRT, led by Messrs. Welsby and Kirby, based their presentation on a map of the route now proposed and a set of view-foils. Rather than my seeking to record this in detail, it might be simplest if you were able to obtain from BR a set of the view-foils and to circulate them to the offices of the Ministers attending.

It was agreed at the end of the presentation that those attending might like to alert BR to the sort of questions they might need to respond to when they make their public announcement on 8 March. I suggest that Roger Bright and Carys Evans might direct any such material to you in the first instance.

I am copying this letter to Roger Bright (Department of the Environment), Carys Evans (Chief Secretary's Office), Stephen Bramall (Office of the Minister for Transport) and Trevor Woolley (Cabinet Office).

CHIEF SECRETARY	
REC.	- 1 MAR 1989
ACTION	Mr Moore
COPIES TO	cc: Mr Anson, Mr Mowbray, Mr Gray.

Yes.  
  
 (PAUL GRAY)

Roy Griffins, Esq.,  
 Department of Transport.

SECRET



Serial No 1904 DEPARTMENT OF TRANSPORT  
Copy No 3 of 5 2 MARSHAM STREET LONDON SWIP 3EB  
01 276 3000

My ref :

Your ref :

- 1 MAR 1989

Paul Gray Esq  
Private Secretary  
10 Downing Street  
LONDON  
SW1A 2AA

*[Handwritten signature]* 000177

CHIEF SECRETARY	
REC.	- 1 MAR 1989
ACTION	Mr Moore.
COPIES TO	Mr. Mr. Anson, Mr. Mauck, Mr. Gray

*Dear Paul*

CHANNEL TUNNEL RAIL LINK

Thank you for your letter dated 28 February. I have, as you suggested, obtained sets of the view-foils which BR used at their presentation. Copies are attached. I am assuming that you and copy recipients will treat this material on the same basis as your letter of 28 February.

I am copying this letter and attachment to Roger Bright (Department of the Environment), Carys Evans (Chief Secretary's Office), Stephen Bramall (Office of the Minister for Transport) and Trevor Woolley (Cabinet Office).

*Yours*

R J GRIFFINS  
Private Secretary

SECRET

## **KCC CRITERIA**

- Use of existing Rail and Road corridors
- Avoidance of built development
- Take careful account of geology and drainage
- Avoid lengthy embankments
- Minimise visual and noise intrusion
- Noise protection for communities to highest modern standards
- Lower operating speeds, preferably to 125 mph
- Provide for maximum use by commuter trains
- Flexible and comprehensive property compensation
- Financial provision for full environmental treatment

# ADVANTAGES OF PROPOSED ALIGNMENT

- Best fit with KCC criteria
  - From Swanley to North Downs Tunnel alongside existing rail corridor as far as possible
  - Less intrusive line across Medway
  - Follows new M20 alignment for 14 miles
  - Meets Kent wishes in going through Ashford
  - Uses existing Rail corridor beyond Ashford
- Reduces impact on villages of Hollingbourne, Harrietsham, Lenham and Charing and avoids sensitive areas north of Ashford
- Preserves ability to serve North Kent commuters

# **LONDON APPROACHES**

- Propose tunnel from Kings Cross to Swanley (almost 18 miles)
- Compatible with Central London Rail Study requirements
- Sub-surface junction at Warwick Gardens (Peckham) to serve Waterloo

## **ADVANTAGES**

1. 5 minutes quicker than any surface route
2. minimises loss of property
3. reduces environmental intrusion when in operation
4. reduces disruption to existing BR customers during and after construction

BRB consider advantages outweigh extra cost.



## CHARACTERISTICS OF ROUTE

Total length	68 miles
Of which:	%
Alongside existing line	24
In Tunnel	35
Alongside M20	20
New line in new territory	21
Of the total route:	
In Tunnel	35
In Cutting	31
At grade or embankment	34

# EFFECTS ON CHANNEL TUNNEL PASSENGER SERVICES

1. Removes future capacity constraints
2. Reduces journey times
  - Channel Tunnel to London:
    - From 70 to 40 mins. off-peak
    - 84 to 40 mins. peak
    - London-Paris:
      - 3 hours to 2 hours 30 mins.
      - London-Brussels:
        - 2 hours 45 mins. to 2 hours 15 mins.
  - From beyond London by up to 1 hour
3. Substantially improves reliability and journey quality

## **EFFECTS ON KENT RAIL SERVICES**

- Significant improvement on journey times from East Kent, e.g.
  - Ashford            70 mins. to 35
  - Dover             100 mins to 60
  - Ramsgate        120 mins to 65
- With Mid-Kent Parkway improved journey times from  
    Maidstone —    52 mins to 27 mins  
    and improved services available to travellers from Medway Towns
- Releases capacity on existing route for other South East services  
    e.g Sevenoaks — Tonbridge — Hastings

## **FREIGHT**

- Express/Lightweight Freight can use new route
- Heavy Freight will continue on existing lines
- With new line Channel Tunnel runs out of capacity long before BR

# TOTAL COST OF PROJECT

Route with Swanley Village Tunnel, 225 kph maximum speed, via Ashford and M20.

	£bn
Engineering	1.55
Property	0.05
Detailed environmental measures	0.10
	<hr/>
	1.70

## RECONCILIATION WITH JULY 1988

Route 1 cost	1.20
London Tunnelling	0.12
M20 alignment	0.07
Re-routing via Ashford	0.11
Detailed environmental measures	0.10
Engineering contingency	0.10
	<hr/>
	1.70

# REVENUE IMPLICATIONS

## (1998 Opening)

	£bn NPV	
	BR Forecasts	SNCF Forecasts
International services	0.8	1.2
NSE services (net)		0.1-0.2
Property benefits (including Kings Cross)		0.1-0.2
	Range	<u>1.0-1.6</u>

### AREAS OF POSSIBLE REVENUE INCREASE

More detailed assessment of domestic travel

Re-negotiation of SNCF agreements

Private sector value added

# COMPENSATION

## RESIDENTIAL PROPERTY

- Offer to purchase any property within a 240 metre wide corridor
- Give an undertaking that all property more than 120 metres from the centre of the finally selected alignment will be outside the 70dB(A) Leq contour
- Where owner does not wish to sell property, offer noise insulation on a basis similar to scheme for roads before start of construction
- Compensation after opening as required by statute

## OTHER PROPERTY

- Approach relevant authorities to consider position of hospitals, schools, local authority housing and similar buildings
- Individual negotiation for agricultural, industrial and commercial property

# PRIVATE SECTOR INVOLVEMENT

- 6 serious pre Qualification Submissions
- Preliminary discussions held
  - Probably only 3 runners
    - Costain
    - Acer Group
    - Trafalgar/BICC
- Keen to participate but difficult to see where value added arises very unclear how they would capture any significant land value increases
- Expect to be able to specify pre-qualifiers by April



# **COMMUNICATION AND INFORMATION**

## **D-DAY**

- Kent County Council — Hart and Odling
- Meeting with MP's
- Press Conferences: National and Kent Media
- BR staff
- SNCF and Eurotunnel
- Inform people in 240 metre corridor

## **PARLIAMENT**

- MP's interest groups e.g. all party C.T. and Regional Groups
- Peers

## **KENT**

- Meetings with KCC, District and Parish Councils
- Kent Rail Action Group — March 18
- Local exhibition tours

## **LONDON BOROUGHS**

## **NATIONAL ORGANISATIONS**

- Statutory bodies e.g. English Heritage, Countryside Commission
- Public utilities
- CTCC and affected TUCC's

# TIMETABLE

July 1988 BR suggested introduction of Bill November 1990  
Feb 1989 Need to bring forward to November 1989

## TIMETABLE FOR 1989 BILL

Decision on route	March 1989
Complete discussions on detail:	
Alignments and Environment	July 1989
Preparation of detailed Plans and Bill	July-October 1989
Review viability of project	October 1989
Deposit Bill	November 1989

Alastair Morton  
Co-Chairman  
Eurotunnel

1st March 1989

The Rt. Hon. Nigel Lawson, MP,  
Chancellor of the Exchequer,  
11, Downing Street,  
London. SW1A 2AA

CH/EXCHEQUER	
REC.	- 2 MAR 1989
DATE	CST
COPIES TO	SER P MIDDLETON
	MR ANSON
	MR MONCK
	MRS LOMAX
	MR DJL MOORE

1213



*pmf*

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*Dear Chancellor*

Given the tendency of the IOD conference to generate headlines and the elements of my speech quoted in this morning's press, I would like you to have the full text of what I said.

The rhetorical flourishes were designed rather to fill the Albert Hall than to advance the argument. As to the substance, however, I trust there is something worth further discussion. The more I learn of the inability of Britain's transport infrastructure to carry the burden of traffic now being foreseen by Eurotunnel, the Civil Aviation Authority, and even British Rail and various road planners, the more alarmed I get. We need to make a coordinated and early start on the solutions.

By the way, the attached excerpt from the just-published first issue of the "European Business Journal" is the tail-end of a speech I made not long ago to the European Advisory Council of Ford.

*Yours sincerely*

*Alastair Morton*



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# INFORMATION

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IMMEDIATE RELEASE

**INSTITUTE OF DIRECTORS  
ANNUAL CONVENTION**

Royal Albert Hall  
28 February 1989

**"British Infrastructure - Levelling the Playing Field"**

Speech by Alastair Morton,  
Co-Chairman, Eurotunnel

I sometimes wonder if it is significant that many of my French colleagues talk of 1993, while we say 1992. It is not that they intend to be late - perhaps they talk more of the new era to come while we talk of a familiar era that is ending, to our regret.

I wonder if we are we going to look back once again, while others look forward?

It is probable, however, that virtually everyone in this audience will testify that his or her firm is looking forward; that the question "What does 1992 and Europe mean to my business?" is firmly on that company's agenda - assisted there by a few millions worth of admirable publicity from Lord Young. Many of you may be midway through lengthy investment projects to position your business for 1993: but there may be some who comfort their colleagues with the thought that it is all nearly four years away and something will turn up - perhaps even a take-over bid from France.

Spare a thought for my colleagues and me. Last week it was three years since Eurotunnel signed its 55-year Concession to build tunnels across the Channel! Three years ahead, at the start of 1992, we plan to be consolidating the breakthrough of our two running tunnels. Four years from now, early in 1993, we plan to have test-trains running through to France, in the commissioning programme prior to opening for business in summer 1993.

For the ten contractors - five British, five French - who formed Transmanche-Link to build and commission the Channel Tunnel for us, there is one long critical path from here to 1993, on a massive and complex project that is adding a significant number of basis points to annual economic growth in both countries every year. By the way, over 90% of the orders placed to date by the British side of the tunnel construction have been won by British suppliers - against international competition.

Our rising share price perhaps indicates that a lot of people are starting to assume the boring, and boring, and

building of the Channel Tunnel will indeed get done, and they begin to look towards what will come after that: from 1993 on. Will it be:-

- Feast indeed for Eurotunnel? but
- Feast or famine for industrial Britain? with
- Strength or collapse for sterling, as exports... or imports... soar? - through the Tunnel, if such an image is possible.

For our part, we DO assume the Tunnel will get built - with intermittent shocks and uproars along the way - and we DO believe it will be massively used: I do not say that just to reassure our shareholders, who realise, I trust, that the road to 1993 will be long and - quite probably bumpy.

Nor do I say that the Tunnel will get built and will be massively used simply to torment Jeffrey Sterling and Jim Sherwood about the economies and the investments they have yet to make to keep the ferries competitive.

I do say, however, that the Tunnel will get built and will be massively used in order to draw attention to the long-term, socio-economic jigsaw puzzle of Europe, of which the Channel Tunnel is such a powerful SYMBOL, but only one part among many to be assembled in that jigsaw.

Two years ago, eighteen months ago, we laboured to persuade the British people, and British investors, that this jigsaw of Europe, and Britain's place in it, was so real, so massive, that it justified - that it made necessary - a Fixed Link, a highway open all times, all days and all weathers.

Now that is accepted. In all the current issues, the Tunnel and what lies beyond it are "givens". In the debate on the line across Kent, the ultimate requirement for access to the Channel is not in dispute. In that dispute and others it is the IMPACT of what we must do in Europe, the QUALITY of how we do it, and the TIMING that we argue about.

Let me look backwards one last time to set the puzzle in context.

Last year was the 400th anniversary of England's victory over the Spanish Armada. That victory led directly to an overseas, maritime Imperial Era which shaped our social and economic landscape for centuries. Perhaps it is only now, fifty years after that Imperial Era finally dissolved in the pressure-cooker of events around World War Two, that we can answer Dean Acheson's wounding post-war jibe - "Britain has lost an empire but not yet found a role". We have in fact determined, more or less consciously, that our role will be in Europe. Perhaps a fifty-year transition from Empire to Europe is a reasonably brisk pace for so great a change. Perhaps that transition will be over by December 31, 1992, "just in time" for us to get it right in Europe.

There can be no doubt of the shift in our lives that is taking place; just look at the shift in British trade patterns from 1968 to 1988. There must be no doubt equally of the ongoing political and commercial commitment to this New European Era.

The Channel Tunnel may be a symbol of all this, but it is above all a key part of the jigsaw to be assembled - of the infrastructure that will be the playing field on which the battle of Europe must be fought, and won, by the skills and energies of our people. Everyone hopes for a level playing field: in other words, for sound, efficient and economic infrastructure.

It is a great change for all of us:- London is being displaced in this transition from global capital and centre-of-empire to major regional centre in Europe. Whether we like it or not, Britain is geographically PERIPHERAL (that new Brussels word) to Europe. The geographical core of Europe lies to the east or south-east of us here, across the Thames, across Kent and across the Channel. All roads (and rail and air routes)

/...

must lead not just to London but through or round it into the heart of Europe.

To prosper in this coming European Era, in our children's time in the 21st Century, we certainly need a stable economy and strong leadership of both government and business. We certainly also need skills and technology - which is to say education and training of which we in Britain have been making such an unholy hash for 20 years or more.

But, I insist, we also seriously need sound infrastructure to offset that peripherality and to level that playing field for the contest to come. We need efficient and economic transportation, power, fuel, and water - and of course other services, such as health care.

What I have to say today applies to most infrastructure, but I tend to view it from the angle of transportation - I am convinced of the maxim

"Over time, commercial geography  
will follow transportation geography".

And Social and economic rise or fall, you will agree, follow that commercial geography. Which is more prosperous now - Warrington or Liverpool? Why? Because motorways bring commerce and obsolete ports do not.

In examining our jigsaw then, we are looking at:-

- a new European era, with Britain firmly IN it
- a new transportation era, in which rail, for a change, has a leading role because of the Tunnel and the High Speed Train - 135 mph from Yorkshire to London, 185 mph from Calais to Marseilles;

and thirdly we are looking at:-

- a certainty, I believe, that European business geography in the next century will, as I say, reflect transportation geography - involving road, air and rail

What to do about the jigsaw? It is easy to say "We must plan", but in the 1960's we made a terrible hash of a Government-driven

/...



National Plan and in the 1980's we dance to the music of Market Forces.

I have no doubt that the latter, market forces, are to be preferred for tens of thousands of investment decisions. Indeed, the larger the corporate units in a competitive sector - say petrochemicals or city centre property - the bigger the mistakes in judging market needs that they can survive:- Exxon or BP can carry a wrongly timed cracker; and Olympia & York will survive if there happens to be a property recession as Canary Wharf comes on stream.

So Market Forces will do nicely for some pretty large and long-term investment decisions in competitive sectors, as well as for a vast number of smaller decisions. But, almost by definition, INFRASTRUCTURE investment is different, whether in transportation or not:

- First, either the permission to invest or the investment itself is a monopolistic and/or environmental issue of intense public concern;
- Second, that concern often results in substantial extra costs, environmental or otherwise;
- Third, the financial benefits from the investment project are usually diffused and not wholly capturable in cash or kind by the private investor; and those benefits tend also to be a long way into the future.

Yet infrastructure investment decisions for 1993 to 1999 and beyond must be taken NOW and the government is determined to involve private capital. Those decisions to be taken now will build the playing field for peripheral Britain as we steer our children into the next century in an increasingly rationalised Europe after 1992. Happily or unhappily, this conference coincides with the current uproar over the future supply structure and prices of electricity, water and, it seems, gas; and with the current uproar over a new rail route through London and Kent. Mrs Thatcher's Government is in the thick of these

uproars and surely realises that the act of privatisation will not end them.

In fact this is the perfect occasion to refine the questions and improve the answers. She seeks, rightly, to introduce private sector capital and efficiency into businesses that must still be regulated because they are monopolistic to a degree and also serve our community as a whole. Those businesses will be regulated as to price, as to location and as to safety and quality of service, all in the public interest. They will be regulated to a point where, we must realise, their raising of capital and sanctioning of investment is an interactive decision process between privatised industry and government.

There, at last, I come to my point for today. Let me summarise:

One: - If Britain is to find the European playing field level, we must have sufficient infrastructure and we must set about it now; our children may curse us otherwise.

Two: - Infrastructure investment requires a long view, seven to twelve years ahead, and the rewards may not be fully capturable by the private investors; and

Three: - Infrastructure investment, even after privatisation, is different from ordinary industrial investment. The Government and the private sector have to work together on it.

There you have my song and there could not be a better example of what I am singing than the proposed new railway link from our Channel coast to the north bank of the Thames - connecting not only the capital to the continent and the commuters to the capital but also Britain's business, north and west of London, to its future markets - or MARKET. The rail link is,

- totally necessary, very long-term, and should be totally interactive in its birth.

If you feel - "Bloody Hell, he's just using this opportunity to push his commercial interest in better rail links" please translate what I say to:

- the need to double or relieve the M25, the M1 and the M6; or
- the need to double or enhance the West Coast Main railway line between Stafford and Crewe - where, like the M6, it is at or near saturation; or
- the need to avoid building another runway at Gatwick or somewhere else near London, by investing in high speed rail routes to the Continent as a policy alternative;

(Have you read, by the way, the recent consultation paper by the Civil Aviation Authority? It says that by 2005 if we go on as we are, we shall have saturated Heathrow, saturated Gatwick, and 33 million passengers a year will be going through Stansted, nearly 90% of them scheduled. It is the most powerful argument for the Tunnel and the high speed train ever published).

And, if you think I'm obsessed with transport, what about:-

- the need to build long-lead power stations, nuclear or not; and
- the need to assure the future availability of water in South East England, and so on.

Consider, therefore, my obsession: the need to upgrade the commercial and passenger routes from North of the Thames to the Channel coast. When the Tunnel opens in 1993, it will make money whether the traffic arrives by road or rail. Economic growth brings more movement, more traffic. We are growing and we intend to grow yet more in this European era. So more traffic is inevitable, passing through or round the regional centre, London on its way to and from the Continent.

Think of it:

- as road traffic swarming dangerously over the face of Kent and around London, or standing still on the M25;

or think of it:

/...

- as air traffic crowding our airports, runways and airspace to the point of saturation, perhaps danger.

then think of:

- high speed rail, the preference of the environmentalists by the way, and think it NOW.

I hope by now I have made my points:

- the levelling of the European playing field;
- the particular need for transportation investment;

and

- the need for cooperation between Government and private capital.

For over twenty years I have held the view that no businessman may end a call for action with the cry "The Government must do something" and then sit back and wait with arms folded.

- I believe Mrs Thatcher's Cabinet knows action is necessary to get the infrastructure right, the playing field level; or else their economic achievements of the '80's will dissolve in the heat of Europe as it rationalises in the '90's.
- I believe Mrs Thatcher knows that ossified Treasury attitudes to investment must be revised: this Government is privatising so much of the public sector that past Treasury attitudes to the control of capital investment are obsolete.

So let me toss up a suggestion for inspection. If you don't like it, make a better one - but don't mumble a refusal to contemplate change.

I start from the fact that successful infrastructure projects with a captive cash flow do not need a large permanent equity once they are up and running. What they need is debt support during construction to cushion the bankers' behinds from the hard facts of risk until the risk has eased. In short they need to be assured of quasi-equity in the middle, in the mezzanine - above the private shareholders and below the bankers.

Once successful the project no longer needs the quasi-equity, it can be redeemed at a very handsome profit to the investor. What is that quasi-equity? who should put it in? Why should they? and what has that to do with government interaction with private initiatives and private capital?

I would reply:

- first, quasi-equity, or mezzanine capital for projects, should be subordinated loans or redeemable preference shares, coming below the secured project loans from banks and above the equity from private investors. It should be convertible into equity if things go badly and the mezzanine investors need to reorganise the project and it should be redeemed when the project is successful.
- second, it can be put in by investors, whether public, institutional or individual: but, more importantly it should be assured to the project relatively early, so that the private investors taking the initiative can show sufficient support to the bankers who will put up 75-85% of the total finance;

I would say that assurance can best be given by Government, by the Treasury underwriting the mezzanine issue - underwriting but hopefully not subscribing.

- third, the reasons why the Treasury should do this, are
  - a) the interactive process of project preparation and decision enables Government to assess the project's shape and its priority for the community early and well; and
  - b) the facts that infrastructure projects involve both a long wait for the returns and also extra costs for environmental reasons, or for secondary, non-capturable benefits or whatever. These facts deter private capital when the outcome is too far ahead.

I am in effect saying that Privatisation, the central, radical feature off the Thatcher Eighties, is not yet complete and in the case particularly, but not only, of transportation that incompleteness borders on incoherence at the very time when our transport infrastructure desperately needs investment from Scotland and Wales through to the Continent. Since that is so, I am proposing a solution; a support for private capital initiatives of universal but selective application.

If the Treasury can bear the thought of taking a fee and sometimes a profit, occasionally a loss, in bridging a sound project from private sector initiative to market belief in its profitability, we can avoid National Plans, we can optimise our resources and we can do our level bloody best to level the bloody playing field by reasonably soon after 1993; and hopefully well before British commerce and industry suffers any fatal damage from a united Europe's rationalisation of its commercial geography along the lines of least transportation resistance. There is little time to waste if we do not want Great Britain to be in Europe what South Wales would be in Britain by now without the M4, the Severn Bridge and the 125 trains.

Privatisation the Tunnel and 1992 have combined to focus attention on our infrastructure. The Channel Tunnel was so massive an opportunity we managed to get the will, the decisions and the money together. The rest is more diffuse, hence the approach I suggest. Let us not shudder at the problems: let us grasp the opportunities to get it right!

Thank you.

- ENDS -

Further Information:

Alastair Morton 01 834 7575

John Weaver 01 834 7575

# EUROPEAN BUSINESS JOURNAL

---

Progress of the European Community

*Professor Sir James Ball*

The progress of the European Community since the Albert/Ball Report

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A European Social Policy ?

*Gavin Laird*

Britain, Europe and 1992: the social implications of the Internal Market

---

The Ageing European Population

*Professor Dr Manfred Perlitz*

The marketing implications of the ageing European population

---

Acquisition

*Sir Michael Butler*

Cross-frontier acquisition in Europe

---

The Channel Tunnel

*Alastair Morton*

The Channel Tunnel and European business

---

Innovation

*Peter Foy and C John Brady*

Innovation: the challenge for European business

---

thesis was Europe in the 1990s—the efficient allocation of resources. I have said:

- Britain is committed to Europe —
- The Tunnel is being built, as a central feature; and
- European industry and commerce will rationalize.

We must get on with the job of getting our transport geography, our skills and our capital together in time—to be winners not losers.

The danger is we may not follow through on the evolution since 1979. We demolished at first, now we are building—but will we build well enough to prosper through the turn of the century? Much of what we plan now will only earn its keep, or fail, a decade from now. Yet we must do it. If we don't build well on the often painful foundations put in place in the decade since Britain's Winter of Discontent, our children will be the losers."

Yes indeed, if all Europe does not build well on the foundations of this decade, all our children will be the losers. The Channel Tunnel is a symbol of that and it will be one of the 'building blocks' of the 1990s. The Tunnel will change European business geography.

Tunnel + 1992 = Step Change in European Circumstances, possibly as severe as the 1973 oil shock. Such step changes (is that a cliché or a professional term among economists?) must be applied to the secular trends that they will confirm, not interrupt—trends to concentration, to greater pace of change, to higher entry costs into the first world product technologies that will keep the OECD countries at the desired level of prosperity.

Rationalization is a widely dreaded word for a process driven by location (transportation), efficiency (skills) and investment (capital). This journal no doubt will carry through coming issues some vivid debates on, say, the preponderant strength of the Munich–Milan–Barcelona triangle over the London–Frankfurt–Paris region, or vice versa; and on such issues as Sweden's place with or without a bridge/tunnel across Denmark into Germany and so on.

Rationalization of European business, however, will require interactive decisions between employers, investors and governments. Dicta about market forces will not suffice, because:

- your transportation facilities can attract private enterprise, but national and regional planning must underpin the infrastructure;

- you can train industrial employees in company or industry centres, but government policies in education, in public service and in welfare must pull and push in the same directions;

- you can invest capital in manufacturing and service industry, but its impact can be multiplied or divided by very diverse public policy influences; and
- the realization or retention of the investment maybe governed by short-term, index-chasing fund managers rather than by regulations or fiscal policies, designed to encourage employment, technology development and other essential but medium-term objectives of European society in the 1990s?

'Rationalization' is a watchword, a sentry's challenge. We have to get our act together in the 1990s. If Eurodog is not to eat Eurodog in a static society—or be eaten by foreign dogs—Europe must grow as a whole while rationalizing its parts.

That requires confident, cooperative public authorities, investors and industry, plus policy and investment decisions between governments on European and regional or national infrastructure—notably but not only on transportation and skills training. The horizon, in time and in 'capturability' of benefits may be too far and wide for most private capital: government quasi-equity must supplement private equity to support market debt capital to put the necessary infrastructure in place—or European business will have to emigrate or else bend the knee at the end of this century.

R. A. Morton

EXTRACT AND EXTENSION OF  
SPEECH TO FORD MOTOR COMPANY'S  
EUROPEAN ADVISORY COUNCIL.

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JOURNAL" FEBRUARY 1989



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DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB  
01 276 3000

My ref :

Your ref :

The Rt Hon Sir Geoffrey Howe QC MP  
Secretary of State for Foreign  
and Commonwealth Affairs  
Foreign & Commonwealth Office  
Downing Street  
LONDON  
SW1A 2AH

*PMG*

CH/EXCHEQUER	
REC.	- 1 MAR 1989
ACTION	MR MORTIMER ✓/3
TO	PMG
	MR LANKESTER MR PHILLIPS MR BIG-ALLEN MRS CAVE MR HOWMAN MR TYRRE

1 MAR 1989

**LORRY WEIGHTS**

I explained in my letter of 18 November that I was likely to come under very strong pressure at the March Transport Council to agree an end to the UK derogations on the maximum laden weight and drive axle weight limits for five and six axled vehicles.

I was able to avoid this issue coming to a head in December, but the Commission has now submitted to the Council its reports on the circumstances justifying the derogations. The report concludes that the UK derogations should end on 31 December 1996 - not December 1992 as in the earlier draft - and this date is included in a draft directive.

I also explained in November, that I believed that those concerned with the matter in the House had understood the derogation could last for the indefinite future, but this was not the case. The Commission's proposed end-date is much better than in their draft report, but it is still too early a date for the UK bridge strengthening programme to be substantially completed. The idea put forward in the report for a limited network of roads capable of accepting the heavier lorries while further work proceeds beyond 1996, I do not regard as practicable because many journeys would end off that main network.

I propose to stand firm at the March Transport Council, and argue if the subject is raised that the Commission has misjudged the number of UK bridges that will need strengthening and, therefore, the time needed to complete the work. With the help of the Spanish Presidency and some apparent uncertainty on the part of the Commission about whether the derogations could be limited in duration only by unanimity, I may be able to avoid substantial discussion of the 5 and 6 axled vehicle weights. But I will have to counter the arguments when discussing the proposed derogation on 2, 3 and 4 axled vehicles. We will come under very serious

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pressure indeed at the June Council to accept some end-date to the derogations, and there will be continuing strong pressure from some Member States, notably the French, for an end-date earlier than 1996. Since the French Presidency follows the June Council we can expect little further help during the remainder of the year. That is why I am seeking an early debate on the issue, if possible before the Transport Council on 14 March.

In making my statement to the House I shall want to keep to the present public stance of not accepting heavier vehicles until our bridges are suitable to take them. That will avoid weakening my negotiating position at the March Council. It may be that I could indefinitely avoid ending the derogation on the 5 and 6 axled vehicles but I am awaiting the Law Officers' advice on this point. I shall have to handle the issue carefully so that, if the Law Officers advise I cannot resist indefinitely, I leave some opening for negotiation. I shall therefore want to get across some of the arguments used by the advocates of the 40 tonne gross lorry - that the vehicle is no different in size from the existing 38 tonne vehicle and by having the potential to carry 8% more on ostensibly the same vehicle, fewer vehicle/journeys are needed.

After the March Council I may need to make a major effort to gain greater public acquiescence on the 40 tonne issue. This will be in readiness for another difficult Council in June, when I will need to resist those still pressing for an end to the derogations before 1996, and possibly, to negotiate a rather longer period - something that will be resisted on all sides - during which our bridge infrastructure can be made suitable. As part of any such package, I would also want to see if I can attach to some end-date a requirement for vehicles to be quieter and safer by having friendlier suspensions.

There is an additional problem. This is the proposal before the Council in March to cover smaller (2, 3 and 4 axle) vehicles for which we need derogations from the 11.5 tonne axle loading. I shall want to argue for that derogation to be co-terminous with that for the 5 and 6 axled vehicles, but there will be extreme reluctance to agree another indeterminate derogation. I recognise that a time limit on the heavier axle loading for the smaller vehicles would tend to undermine the position on the 5 and 6 axle vehicles. I could, of course, be outvoted on this so we could be in the paradoxical position that 2, 3 and 4 axled vehicles with the heavier axles would be permitted on British roads but not the 5 and 6 axled vehicles with the same axle loadings.

My immediate objectives are to take at an early date the mood of the House without damaging either our public stance or the negotiating position in Brussels. I want also to avoid being forced to a vote at the March Council.

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Therefore, we need to look at how best we can prepare for the June Council. If our derogation on 5 and 6 axled vehicles cannot legally last indefinitely then the possibilities for this include;

- a careful campaign to prepare the ground with MPs and the public;
- consideration of what more we will need to do to ensure that substantially all of our bridges on trunk and local roads are strengthened by 1996 (or whatever later date I might manage to negotiate).

I shall also be aiming to avoid having to accept an end-date for the smaller axled vehicles.

I was grateful for your helpful response to my letter in November. I should now welcome colleagues' further support for the approach I propose taking in handling this highly sensitive issue during the next few months.

I am copying this letter to members of OD(E), John Wakeham, David Waddington and Sir Robin Butler.

  
PAUL CHANNON 

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COMMERCIAL IN CONFIDENCE

*[Handwritten initials]*



DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB  
01 276 3000

My ref:  
Your ref:

CH/EXCHEQUER	
REC.	-2 MAR 1989
RETAIN	CST
COPIES TO	

✓2/3

Charles Powell Esq  
Private Secretary  
10 Downing Street  
LONDON  
SW1

✓  
✓

*Dear Charles*  
EUROTUNNEL

-2 MAR 1989

I am happy to be able to tell you that almost all of the problems between Eurotunnel and their contractors, referred to in my letter of 16 January, have been settled. Eurotunnel have been given permission by the necessary 90% of their bankers to continue drawing on the project loan. For the present, the threat to the project has therefore receded.

The management changes at Eurotunnel and Transmanche Link have already resulted in a much more constructive relationship between the two organisations. This has been sufficient to persuade the banking syndicate that some, at least, of the delays in the project programme will be recovered and that costs will be brought under control.

Eurotunnel will draw down sufficient loan finance today to pay the contractor up to the end of June. This week's payment to TML will include a catching-up payment covering most of the sums withheld (because of delays) in previous months. Unless there are unforeseen difficulties, Eurotunnel will face no further obstacles until their next examination by the banking syndicate in September.

I am copying this letter to Richard Gozney (Foreign Office), Alex Allan (Treasury), Philip Mawer (Home Office), Neil Thornton (DTI) and Trevor Woolley (Cabinet Office).

*Yours truly*

R J GRIFFINS  
Private Secretary

COMMERCIAL IN CONFIDENCE



*Pay*

Treasury Chambers, Parliament Street, SW1P 3AG  
01-270 3000

9 March 1989

Sir Robert Reid CBE FCIT  
Chairman  
British Railways Board  
Euston House  
24 Eversholt Street  
PO Box 100  
LONDON NW1 1DZ

*Dear Sir Robert*

The Chancellor has asked me to thank you for your letter of 8 March, and the enclosures about the proposals for the Channel Tunnel Rail Link. He has read these with interest.

*Yours sincerely*

*Jonathan Taylor*

J M G TAYLOR  
Private Secretary

# British Railways Board

Sir Robert Reid, CBE, FCIT  
Chairman

8th March, 1989.

The Rt.Hon. Nigel Lawson, MP,  
Chancellor of the Exchequer,  
H.M. Treasury,  
Parliament Street,  
London,  
SW1P 3AG.

*PS note Mr*

*Dear Nigel,*

As you know British Rail announced in July last year the route options it would be considering for the construction of a new Channel Tunnel Rail Link to London. Since then we have been evaluating these options in relation to a number of important criteria, notably our wish to minimise disturbance to the local residents and to the environment, and the views expressed during the consultation process.

BR has now reached a decision on its preferred route corridor and I am writing to advise you that this is being announced at 15.30 today. The new alignment has been designed to overcome as many of the objections raised as possible and to minimise environmental disturbance.

I thought you would appreciate a copy of the press release, brochure and information pack describing the proposals. The pack contains a map showing the selected route corridor, together with leaflets dealing with environmental issues, noise, compensation arrangements, train services, domestic and international, and engineering implications.

BR is now embarking on a further programme of information and consultation with interested parties over the next few months, prior to the drafting of a Parliamentary Bill for deposit in November this year.

*Yours sincerely*

*Bob Reid*

Bob Reid.



## British Railways Board

Press Office, Euston House, 24 Eversholt Street, PO Box 100, London NW1 1DZ,  
Telephone 01-922 6901, 01-928 5151 Ext 41979, Fax 01-922 6525

# P R E S S   R E L E A S E

38/89

EMBARGOED FOR RELEASE AT 15.30 HOURS WEDNESDAY 8 MARCH 1989

### CHANNEL TUNNEL RAIL LINK BR ANNOUNCES PROPOSED ROUTE

British Rail has responded to the views expressed during consultation on its plans for the Channel Tunnel Rail Link by devising a route in tunnel all the way from London to Swanley in Kent, following the alignment of the M20 and going through rather than round Ashford.

These major changes mean that some 30% of the £1.7 billion estimated total cost of the project - necessary to provide the capacity for both international and domestic traffic in the second half of the 1990s - will be for environmental protection.

Announcing the route today, BR also gave details of a compensation package which goes beyond what is required by statute, in offering to buy, now, any residential property within a 240 metre wide corridor along the proposed route (up to 100 metres on either side of the line) - except of course where the line is in tunnel.

The proposed route is : from KINGS CROSS in tunnel and from WATERLOO on existing lines descending to a sub-surface junction at Warwick Gardens, near Peckham Rye, then in twin bore tunnels all the way to Swanley.

From there it will run alongside existing tracks to South Darenth; on new railway to a new North Downs Tunnel before crossing the Medway at Halling on a new viaduct and then to Detling. New tracks will be laid alongside the M20, and its Maidstone/Ashford extension, before the line goes into a new Ashford Tunnel, emerging to run through a new Ashford station and alongside existing tracks to the CHANNEL TUNNEL.

More...

Of the 68 miles between London and the Channel Tunnel, 23 miles of the new Rail Link will be in tunnel, 16 miles will run alongside existing railway and 14 miles will follow the alignment of the motorway. Only 15 miles (22%) will be new surface transport corridor. Some 22 miles (32%) will be in cutting, which means that two thirds of the route will be below surface level. The maximum speed on the route will be 140mph(225kph).

The proposed route is nearest in definition to the original Route 2 option presented in July 1988. The main changes are:

- major extension of tunnelling from Kings Cross to the eastern side of Swanley
- slightly revised and lower height crossing of the Medway
- maximum operational speed set at 140mph to permit the new alignment following the M20
- new tunnel approach to Ashford and new tracks through Ashford (125mph maximum)
- new tracks alongside the line from east of Ashford to Westenhanger
- connection to existing lines to the west of Ashford for fast commuter trains

The environmental gains are :

- greater reliance on existing transport corridors
- increased tunnel in London and near Ashford
- reducing the visual effect of the Medway crossing
- avoiding Charing and the central village areas of Hollingbourne, Harrietsham and Lenham
- greater use of cuttings to mitigate noise and visual intrusion
- noise reduction through lower maximum speeds

The maximum speed of 140mph will be achievable over some 35 miles of the route - between North Downs Tunnel and Ashford Tunnel, and between Willesborough, east of Ashford, and the Channel Tunnel.



The planned overall journey time of 40 minutes between London and the Channel Tunnel will be maintained because the maximum speed of 100mph through the London tunnel is higher than could be achieved on the surface in the London suburbs.

When the link opens, sometime in the late 1990s, the journey time between London and Paris will be reduced to 2hrs 30mins and that between London and Brussels to 2hrs 15mins.

But equally important is the prospect of fast commuter services cutting the journey time between Ashford and London to 35 minutes.

BR estimates that the route chosen will reduce the number of properties blighted in London by several thousand. At Kings Cross and Warwick Gardens, although the eventual line will be underground, its construction will create disturbance in these areas with a need to buy some property. Residential property owners directly affected are being approached individually.

In Kent fewer than 100 residential properties are likely to be subject to compulsory purchase, and a further 700 will be covered by the Board's offer to buy.

#### COMPENSATION

In Kent, the amount of space taken by the new link itself will be between 20 and 40 metres, depending on whether the line is through cutting or on embankment.

Except where the line is underground, BR is offering immediately to buy any residential property within the 240 metre corridor shown on the published maps which are being issued to property owners along the route.

Should further detailed design lead to changes in the alignment, and consequently the 240 metre corridor, the offer to buy will be extended to cover any newly affected property.

More...

Valuation will be based on a price which disregards the effect of the Rail Link, at the date of application to sell, with provision for independent arbitration on valuation disputes.

BR will also make disturbance payments to cover removal costs, reasonable conveyancing and survey fees and a home loss payment.

BR will ensure, wherever possible, that noise levels outside the 240 metre corridor will not exceed 70 dB(A) 24 hr Leq. The Equivalent Continuous Sound Level (Leq) measured over 24 hours has been shown to be the best indicator of general nuisance caused by train noise.

In most places this standard will be achieved by controlling noise at source (through design of the trains and the tracks), and at many places noise levels will be much lower, especially where the track is in cutting.

Owners within the 240 metre corridor who do not wish to sell will be offered noise insulation for their property before work on the line begins in their area, if noise from the Rail Link or its construction is forecast to exceed 70dB(A) 24hr Leq.

For non-residential and agricultural property, BR will approach the relevant authorities or owners to discuss how best to deal with any problems and special arrangements will be announced, after consultation, for property owners affected by temporary work sites.

In due course the Parliamentary Bill will establish which properties will need to be compulsorily purchased and in addition to these BR will purchase, if the owner wishes, the whole of a residential property, where only part, such as the garden or part of it, is required.

More...

## ENVIRONMENTAL ASSESSMENT

BR will maintain its commitment to environmental protection by devoting particular attention, during the design phase, to identifying additional measures, including screening, tree planting and other landscaping techniques. Assessors have been commissioned to carry out a full Environmental Assessment of the BR proposal in line with an EEC directive on the subject. They will work closely with the County and District Councils and other interested parties and seek the views of local residents.

## CHOOSING THE ROUTE

The new Rail Link is needed to provide the additional capacity which all the traffic forecasts, including those reviewed by independent consultants for Kent County Council, agree will be needed between the London and the Channel Tunnel, although estimates vary about the time when the need will arise. BR's latest forecasts for domestic traffic growth indicate that extra capacity will be needed by the second half of the 1990s.

In July 1988, BR published three route and three terminal options for further evaluation, deciding in January this year to seek powers to build the second London terminal at Kings Cross.

BR was influenced greatly in deciding on its proposed route by the strategic criteria set out by Kent County Council, which said the route should use existing rail and other transport corridors wherever possible, avoid built development, provide environmental protection including noise limitation, make possible improved commuter services, and offer flexible compensation arrangements.

These were taken into account along with the basic criteria of safety, technical feasibility, transport needs, environmental considerations and cost.

More...

Route 3 (from Bromley via Borough Green and Pluckley) was technically feasible but the environmental problems - particularly crossing flood plains - would be extremely difficult to solve. The route was also less attractive in terms of its ability to offer improvements to domestic rail transport in North Kent. Nor was it compatible with KCC criteria on the use of existing transport corridors or on minimising the use of embankments or viaducts.

Route 1 (from Sidcup via Longfield and Hollingbourne) was also technically feasible, but ran very close to a number of communities between Albany Park and the North Downs Tunnel, adversely affected some important villages in Mid-Kent, and created a new rail corridor north of Ashford in an extremely sensitive rural environment.

Route 2 differed from Route 1 in running from Kings Cross to Elephant and Castle in tunnel and then on the surface on and alongside existing railway via Herne Hill and Swanley, affecting a considerable number of residential areas, before joining Route 1 at Longfield.

Two other suggested routes were considered by BR. A proposal to build a tunnel all the way from a junction with the Channel Tunnel beneath Dover all the way to Rainham in Essex (Rachel) was rejected because of the prohibitive cost and need for further tunnelling to access BR's central London termini.

Another scheme (Talis) following the railway to Ashford before going into tunnel to Sittingbourne, crossing the Thames near Gravesend and joining existing BR routes in Essex would probably need to be modified to stay on the Kent side of the river to reach central London termini. This idea was rejected principally because costs would be substantially more than BR alternatives due to extra tunnels, and journey time would be longer.

More...

## RAIL SERVICES

The new line will reduce the journey time between London and the Channel Tunnel by 30 minutes to around 40 minutes, compared with 70 minutes by international trains using existing routes in 1993 in the off peak and 84 minutes in peak periods.

The choice of Kings Cross as the second terminal in London will provide a good interchange to services to the rest of the UK on the main line network, particularly to the North, as well as allowing the running of through trains.

For Kent travellers the new line offers a solution to the problem of creating the capacity needed to meet demand for commuter travel which could increase by a further 35% by the end of the century. The journey time for commuters from Ashford could be halved with savings of up to 40 minutes for commuters from Folkestone or Canterbury.

A new international station is planned at Ashford alongside the existing domestic station which would be rebuilt to take 16-coach trains. This will be a major contribution to the regeneration of the East Kent economy and is in accordance with Kent's strategy.

A Mid-Kent Parkway station, with extensive car parking facilities, could offer a journey time of less than 30 minutes to Kings Cross. BR considers that this could bring benefits to North and Mid-Kent, including relief to hard-pressed commuter services in North Kent, but recognises that it has wider implications for planning and highway strategies in Mid-Kent. BR plans to invite local authorities to join it in detailed studies, over the next six months, to examine the issues.

More...

The transfer of all international passenger services and provision of new fast commuter trains will free capacity on existing lines sufficient to cope with any foreseeable international freight services as demand grows. It will also allow the maximum amount of daytime freight operation.

Engineering the line to carry heavy freight trains would be more expensive, but high speed, high value parcels type trains will be able to offer an international service.

Some 75% of international rail freight will begin or end its journey beyond South East England and a strategy is being developed to run through services direct between regional centres and mainland European destinations, wherever this proves viable. Railfreight Distribution plans to invest £150m in improved facilities on existing lines and in new locomotives.

#### **SAFETY**

Each train will be fitted with automatic speed controls and with radio so that the driver is in continuous direct contact with the control centre.

In the twin bore tunnels between London and Swanley there will be cross passages, fire doors, emergency ventilation systems and walkways to allow evacuation of trains. In the single bore, twin track tunnel under the North Downs the adjacent track can be used. Emergency lighting will come into operation in each case.

Space will be provided alongside the track to allow maintenance staff safe access and the route will be fenced throughout, with no level crossings.

More...

## THE NEXT STEPS

BR will shortly be publishing details of a programme of exhibitions followed by consultation arrangements and meetings with local community representatives. BR recognises that at many locations it will be essential to discuss the detailed design of environmental and noise protection measures. In addition independent consultants will carry out an Environmental Assessment.

Final details of the route alignment will need to be established quickly to allow preparation of the draft Private Bill to be deposited in November 1989.

During this period the Board will be inviting private sector consortia who have already gone through a pre-qualification phase to tender for the construction and possible ownership of the new Rail Link.

Only when the Private Bill has gone through Parliament, and the role to be played by the private sector has been clarified, will a final financial appraisal of the project be possible.

## CONSULTANTS

BR has appointed Sir Alexander Gibb and Partners as managing consultants for the further detailed engineering planning necessary for the preparation and deposit of the Private Bill.

Three well known firms of engineering consultants have also been selected to act as sub-consultants to undertake the detailed design work. They are Mott MacDonald (London tunnel section); Sir William Halcrow and Partners (Swanley to the eastern portal of North Downs Tunnel); and Scott Wilson Kirkpatrick and Partners (North Downs Tunnel - Tutt Hill, including the Medway viaduct).

More...

For the remaining sections of the line Sir Alexander Gibb and Partners will do the detailed engineering design themselves.

Environmental Resources Limited will continue as the Board's environmental consultants and will be responsible for completing the full Environmental Assessment.

Terraquest have been appointed to carry out land referencing and survey work.

- end -



 **British Rail – Channel Tunnel Rail Link**



**With Compliments**

Channel Tunnel Rail Link Southern House Wellesley Grove Croydon Surrey CR9 1DY Tel: (01) 760 5002

# Channel Tunnel Rail Link

British Railways Board  
March 1989



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## 1. Introduction

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- 1.1 In July 1988, British Railways Board published the report of a study it had carried out into the implications of the need for extra route and terminal capacity to meet forecast growth of both domestic and international rail services on the lines to the Channel Tunnel.
- 1.2 The BR study team was set up after the earlier Kent Impact Study, published by the Department of Transport in August 1987, recognised that the capacity of BR's existing routes between London and the Channel Tunnel could ultimately constrain the growth of rail traffic.
- 1.3 The team's report (Channel Tunnel Train Services: BR Study Report on Long Term Route and Terminal Capacity) was produced after an analysis of the latest available traffic forecasts, and an examination, with the help of environmental consultants, of a wide range of alternative route corridors and alternative sites in London for a second international passenger terminal. The following main conclusions were reached:
- 1.4 The effects of capacity limitation on the existing routes would start to be felt within ten years of the Channel Tunnel opening to traffic in 1993.

- 1.5 The precise time at which additional capacity could be commercially justified depended not only on traffic levels but on the route/terminal combination chosen and its costs; the benefits of additional capacity and flexibility to Network SouthEast and freight services, and the effect on traffic levels of reducing journey time.
- 1.6 Of four route corridors selected for detailed examination, upgrading the existing boat train route (Route 4) looked unattractive on grounds of both cost and journey time and was discarded.
- 1.7 The routes to be included in further design work should be those from Sidcup to the Channel Tunnel, via Longfield and Hollingbourne (Route 1); from Bromley to the Channel Tunnel via Longfield and Hollingbourne (Route 2); and from Bromley to the Channel Tunnel via Borough Green and Pluckley (Route 3).
- 1.8 The terminals to be included in further design work should be White City, Kings Cross Low Level and Stratford.
- 1.9 The planning, authorisation and construction programme to provide the additional capacity could take up to ten years to complete.

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## 2. Preliminary Consultation (July 1988 – February 1989)

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- 2.1 Immediately after publication of the study report in July 1988, BR began an extensive round of preliminary consultations with local authorities, interested bodies, communities, action groups and individuals.
- 2.2 In addition to meetings with representatives of Kent County Council, of London Boroughs and of District and Parish Councils, BR's officers have spoken at over 120 public meetings.
- 2.3 Meetings have also been held with Members of both Houses of Parliament and among the many environmental organisations which expressed views were The Countryside Commission, The National Trust, The Council for the Protection of Rural England, the Nature Conservancy Council, English Heritage, and the Royal Commission on the Historical Monuments of England.
- 2.4 Written comments have been received from 19 action groups, 52 District or Parish Councils, and over 10,000 individuals or groups. Petitions signed by thousands of local residents have also been presented to the Board.

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- 2.5 Kent County Council, whilst accepting the need for new rail capacity, rejected all BR's options "in their present form" and have recommended criteria that BR should take into account. These are discussed in Section 5.
- 2.6 The views expressed during this preliminary consultation have been an important part of the process of reaching a decision on the proposed route.
- 2.7 The main issues raised have been about the need for the new line to be built and the benefits it will offer to the people and to the rail travellers of Kent; the speed of trains; whether freight trains will use the line; pressures for further development in Kent which the line will produce; and above all questions about noise, visual intrusion and other environmental impact, and what level of environmental safeguards the Board proposes.
- 2.8 A leaflet was widely distributed setting out the basis on which noise levels from the proposed new line would be measured, and how the expected noise level compared with that from present train services, from motorways and near airports.
- 2.9 This and the other questions raised are addressed later in this booklet and in the leaflets in an Information Pack which is being made available.

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### 3. The Need for New Rail Capacity

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- 3.1 The two independent sets of traffic forecasts used in the July 1988 Report varied in their view of when demand on existing rail lines to the Channel Tunnel would exceed capacity. But both forecasts, and subsequent forecasts produced by Kent County Council's consultants, all agree that new capacity will be needed.
- 3.2 Forecasts of international passenger and freight traffic and of domestic passenger traffic suggested, on the figures produced by Martin Vorhees Associates (MVA) for British Rail, that demand would exceed capacity around the turn of the century. The set of forecasts prepared for Eurotunnel by SETEC (a French group of consultants), with which French Railways forecasts closely corresponded, suggested that there would be a capacity problem soon after the Channel Tunnel opens in 1993.
- 3.3 The more recent report commissioned by Kent County Council Policy and Resources Committee also studied international passenger traffic, international freight traffic and domestic passenger traffic.

3.4 This report suggested that:

- international passenger traffic forecasts by BR were conservative and those by Eurotunnel slightly high
- international freight traffic forecasts were well founded but essentially modest, particularly those of BR
- domestic traffic forecasts were regarded as unpredictable for the longer term, but if growth in demand over the next four years continues at the rate experienced since 1985, the additional investment in trains with more seats, in longer platforms and new signalling planned by Network SouthEast was not seen as sufficient to provide the extra capacity
- every opportunity should be taken to free more train paths for domestic passenger traffic to increase capacity and improve reliability.

3.5 The report also noted that BR's July 1988 study showed that, if the higher forecasts of traffic levels were accepted, from the time the Tunnel opened in 1993 capacity on the existing routes would not satisfy the full all year round peak hour demand.

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- 3.6 The report supported BR's statement that constraints on route capacity were not confined to local bottlenecks, but would extend over significant lengths of the two existing boat train routes; that the extensive enhancements necessary on these routes to achieve a substantial increase in capacity would be unlikely to be cost effective; and that their implementation would cause an unacceptable level of disruption to domestic services.
- 3.7 Finally the report concluded that demand would exceed capacity in Kent immediately the Tunnel is open and that additional rail tracks should be provided from the Tunnel to London with connections beyond, if service and reliability levels needed to realise the full benefits of the Tunnel were to be achieved.
- 3.8 While BR does not agree with all its conclusions, the report confirms BR's view that additional rail capacity will be required. The main issue is one of the time when that requirement will arise.
- 3.9 The case for the new Rail Link to be provided by the second half of the 1990s is strengthened by the results of the latest survey of commuter travel carried out by BR in November 1988. This showed that 5.7% more people were commuting daily from Kent to central London than in November 1987 bringing the increase since 1985 to 33%.

3.10 Future projections indicate that the number of people commuting to central London in the peak hours on outer suburban services from Kent is likely to increase by a further 35% by the end of the century.

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#### **4. Additional Terminal Capacity**

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- 4.1 In November 1988 British Rail deposited a Private Bill before Parliament seeking powers for railway works in connection with the redevelopment of the Kings Cross site and provision of a low level station for both international and domestic services.
- 4.2 After comparison of the three options being examined — White City, Kings Cross Low Level and Stratford — the Board confirmed, on January 12 1989, its choice of Kings Cross as the preferred site for a second international passenger terminal in London.
- 4.3 The decision in favour of Kings Cross did not pre-empt the decision on the preferred route as Kings Cross can be served by any of the route options.
- 4.4 Kings Cross was chosen as the preferred terminal site because the station is centrally located and is served by five Underground lines and Network SouthEast's Thameslink trains and offers easy interchange between international, domestic and London Underground platforms.

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- 4.5 A direct rail link can be provided to the East Coast main line from Kings Cross and through services run to the North East and to Scotland. With the addition of further works, a direct link could easily be provided to the West Coast main line for the West Midlands and the North West.
  - 4.6 International trains would connect with a wide range of InterCity and suburban services at Kings Cross/St Pancras, and the station is well served by bus routes, with relatively easy access by taxi.
  - 4.7 The principal benefit of Kings Cross is that it offers a greatly reduced access time for the majority of customers compared with the other options. Nor do those options offer the same benefits as Kings Cross in terms of connections to the national rail network, or in transport interchange facilities.
  - 4.8 The proposal to construct the low level station at Kings Cross is subject to Parliamentary approval and that of the Secretary of State for Transport.

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## 5. Criteria for Route Selection

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- 5.1 Against the background of the Board's primary obligations to run an efficient, safe and economic railway, the basic criteria for selection of the route — technical feasibility, transport needs, environmental considerations and cost — have been developed and defined more clearly during the preliminary consultation period.
- 5.2 All the route corridor options proposed in July 1988 meet the criterion of technical feasibility, although clearly the engineering problems vary from route to route.
- 5.3 In terms of transport needs, the key requirements are twofold. First, to build a Rail Link which will meet the needs of both international and domestic travellers by taking them where they want to go in the shortest possible time. Second, to meet the needs of the nation and the commercial aspirations of the railway by designing a Rail Link with access to and from the national main line railway network.
- 5.4 Both requirements can be met adequately only by a Rail Link through Kent to central London.
- 5.5 The most difficult criterion to satisfy is that of environmental safeguards. Building a new railway through 68 miles of South East England, means some people will be affected and their present environment disrupted. Moreover, Kent is particularly rich in historic buildings and the quality of its countryside, and this calls for sensitive treatment.
- 5.6 In making the choice of preferred route corridor, BR has endeavoured to satisfy the criteria set out by Kent County Council to protect the environment of Kent.
- 5.7 The principal ones were to use existing rail and other transport corridors wherever possible, to avoid built development, to design a route to meet environmental needs, including noise limitation, to provide for improved services for commuters and to provide flexible arrangements for compensation.

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## 6. Implications of the Criteria for Route Options

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### The Approaches to London

- 6.1 Two basic approach routes to London termini were put forward in July 1988. The first (Route 1) ran on the surface through Sidcup to Mottingham, and then in direct tunnel to Kings Cross and partly in tunnel to Waterloo. The second (Routes 2 and 3) ran on the surface via Bromley sharing or alongside existing tracks serving Waterloo and in tunnel from Elephant and Castle to reach Kings Cross.
- 6.2 Both of these approach routes reflected the fact that a new surface rail corridor to serve a central terminal is not a practical proposition, and that the only real solution to access is by widening existing routes or going into tunnels.
- 6.3 The preliminary consultation in the London suburban area indicated that:
- there was extreme opposition to building new tracks alongside existing lines
  - a large number of people would be affected by noise and disruption while the railway was being built
  - a number of necessary flyover junctions would cause severe visual impact.

6.4 Given the density of development around existing routes any widening would have a severe impact on property and construction of extra tracks would be very disruptive to train services for a lengthy period.

6.5 Taking these environmental and disruption factors into account, it has been decided to make maximum use of tunnels on the approaches to London.

6.6 While the tunnels are being built, however, there will be some surface disruption to enable the construction teams to gain access and store the necessary materials and equipment on the surface. But this is a temporary situation and any damage on the surface could be made good, leaving only operational access and ventilation shafts.

### The Routes Through Kent

#### Route 4

6.7 BR made clear in its July 1988 report that Route 4 should be discarded, and the report by Kent County Council's consultants supported this judgment.

#### Route 3

6.8 The further evaluation of Route 3 leads to a verdict that the route is technically feasible but is difficult in terms of its impact on the environment.

6.9 The route passes through an area of dispersed settlements with scattered woodlands. Action taken to mitigate impact in one place would almost certainly impact adversely somewhere else along the route.

6.10 Before passing south of Ashford, the route crosses two flood plains — the Upper Medway and the Stour. Retention of flood relief and water storage areas would need careful design and construction.

6.11 The advice of BR's environmental consultants is that it would be extremely difficult to build effective environmental protection measures into Route 3 in these areas.

6.12 Route 3 is less attractive as an option in terms of its ability to offer improvements to domestic rail passenger transport in North Kent. Nor is it compatible with Kent County Council criteria on the use of existing transport corridors, or on minimising the use of embankments and viaducts. It would also cause greater severance of land in agricultural or orchard use than Routes 1 and 2.



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### Route 1

- 6.13 Route 1 is technically feasible but is subject to a number of environmental difficulties. It crosses sensitive open space and is very close to a number of communities between Albany Park, Longfield and the North Downs Tunnel.
- 6.14 It involves crossing the Medway on viaduct. It affects a number of important villages in mid-Kent and creates a new rail corridor to the north of Ashford through environmentally sensitive countryside.
- 6.15 Route 1 is more attractive as an option in terms of its ability to offer an improvement to domestic services from mid-Kent and the Medway towns.

### Route 2

- 6.16 Route 2 differs from Route 1 only in that it maximises the use of an existing rail corridor between Swanley and the North Downs Tunnel, crossing the Darent on viaduct alongside the existing viaduct at South Darent.

### Other Route Options Considered

- 6.17 Among the other route options considered were two known as RACHEL (Rainham to the Channel Tunnel) and TALIS (Thames Alternative Link International System).
- 6.18 RACHEL is a proposal to build a new tunnel from a junction with the Channel Tunnel beneath Dover to emerge alongside BR's existing tracks between Purfleet and Rainham in Essex.
- 6.19 No detailed assessment of this proposal has been carried out as the costs of tunnelling through Kent to Rainham in Essex would be prohibitive. Nor is it clear how access could be gained to BR's central London termini without further major tunnelling work.
- 6.20 TALIS follows the existing railway alignment between the Channel Tunnel and Ashford before entering tunnel to emerge east of Sittingbourne, near the M2 motorway. The route then runs from Tonge, north and westward, crossing the Thames to the north-east of Gravesend to join existing BR routes in Essex.

- 6.21 This route has been discussed with its sponsors and a broad assessment made of its implications. To gain access to BR's central London termini, the route would need to be modified probably by remaining on the Kent side of the Thames, joining existing BR tracks to London at a convenient point.
- 6.22 TALIS would involve considerably more expenditure in Kent on tunnels and would give a slower journey time. When modified to gain access to central London termini, the amount of tunnelling is further increased and costs would be substantially greater than BR alternatives.
- 6.23 With a longer overall route to central London and long tunnel sections where speeds would be limited, the route would be an unattractive proposition to rail travellers.
- 6.24 Nor is the link free of environmental problems. It would require extensive embankment and other engineering solutions within the North Kent marshes, with considerable potential for serious impact on wildlife habitat and the water regime.
- 6.25 Although both RACHEL and TALIS may be technically feasible, BR has concluded, for the reasons given, that both should be rejected.

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## 7 The Proposed Route Corridor

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7.1 The re-evaluation of routes carried out by the Board, together with the information provided and the views expressed during the consultation, have led the Board to reject all the routes as originally proposed, and to choose a new route which is closest to the original Route 2 corridor, but with substantial variations in alignment and the length of tunnel, which considerably reduce the environmental impact.

7.2 The new route of the proposed Channel Tunnel Rail Link is:

**From Kings Cross:** in tunnel to a sub-surface junction at Warwick Gardens, near Peckham Rye station (5.5 miles; max. speed 100mph).

**From Waterloo:** using existing surface railway and descending to a sub-surface junction at Warwick Gardens (5.2 miles; max. speed 60mph).

**Then:** Peckham Rye to east of Swanley (between Swanley and Swanley Village) in twin bored tunnel (12.1 miles; max. speed 100mph).

Swanley to new North Downs Tunnel (west portal) on new tracks alongside the existing railway to a point east of South Darenth, and on new railway to the tunnel portal (8.1 miles; max. speed 125mph).

North Downs Tunnel (4.1 miles; max. speed 125mph).

North Downs Tunnel (east portal) to Detling as originally proposed but with a lower and slightly modified alignment across the Medway (7.5 miles; max. speed 140mph).

Detling to Ashford Tunnel (western portal) new railway on a new alignment alongside the M20 and its planned extension to Tutt Hill and to new Ashford Tunnel (15.2 miles; max. speed 140mph).

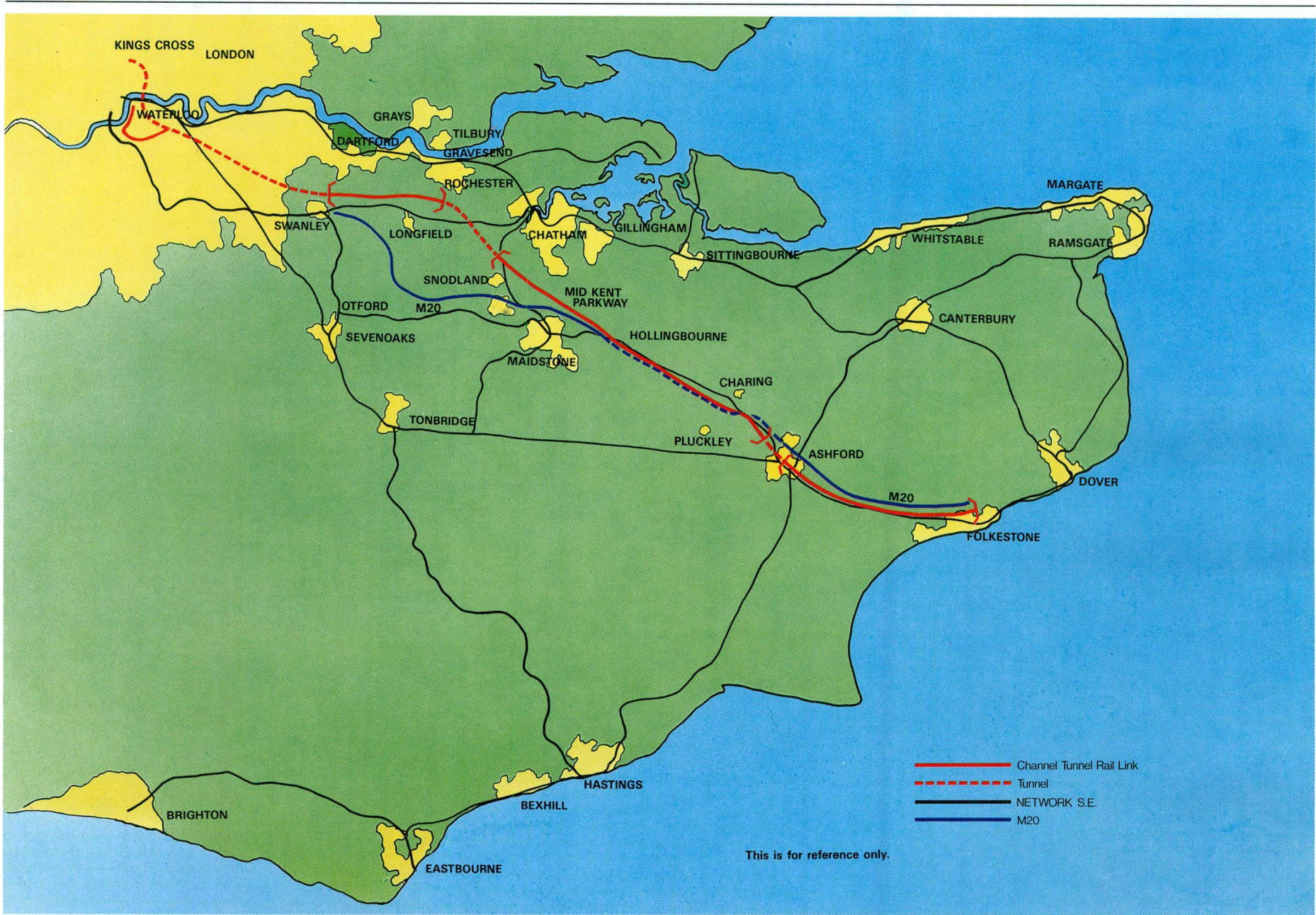
Ashford Tunnel (western portal) to Willesborough through new tunnel to Ashford cattle market area and then on new tracks alongside existing railway (2.9 miles; max. speed 125mph).

Willesborough to Channel Tunnel on new tracks alongside the existing railway (12.6 miles; max. speed 140mph).

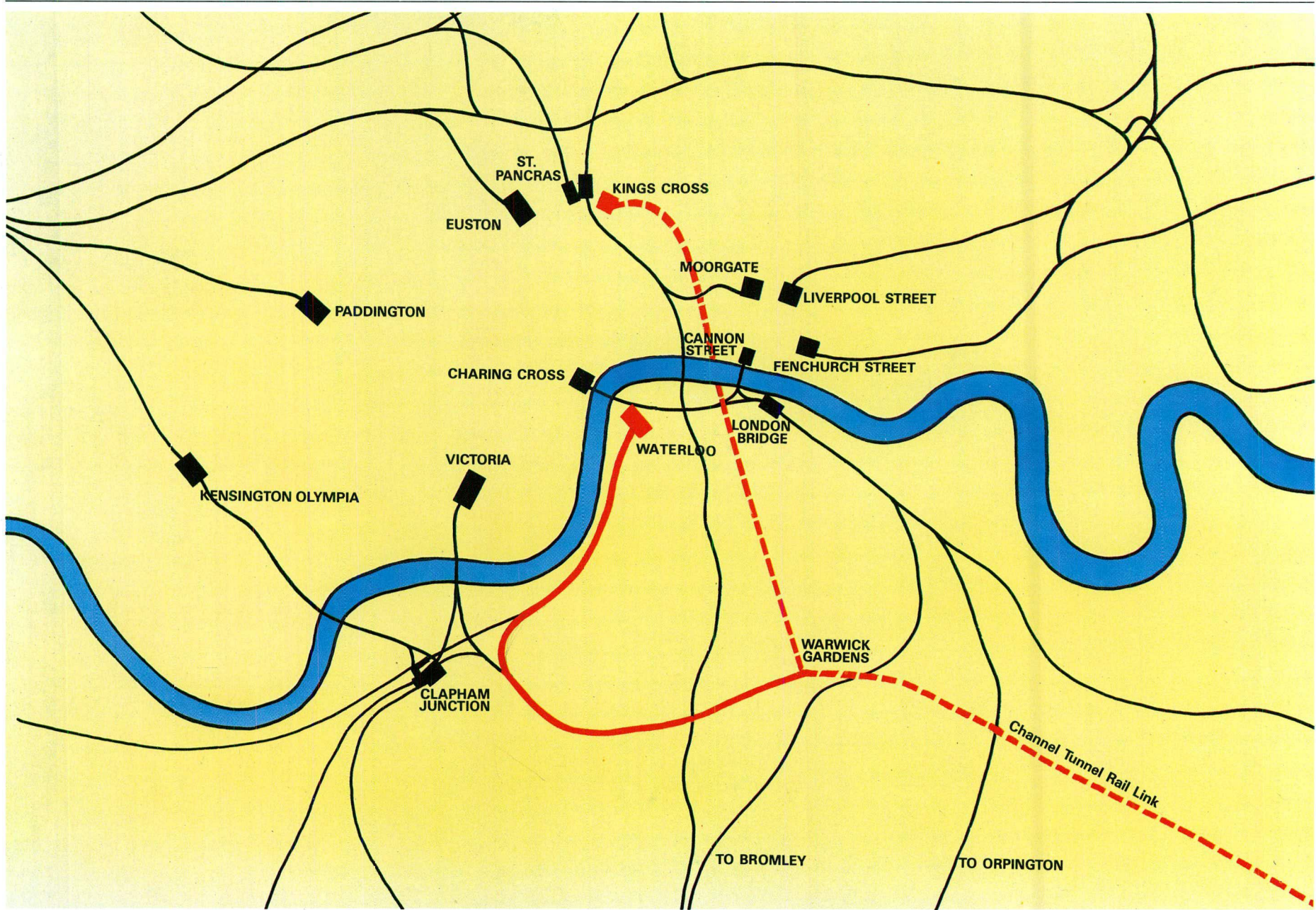
7.3 BR propose to build a new international station at Ashford alongside the present domestic station, which will be rebuilt to deal with trains up to 16 coaches in length. Discussions will be initiated with the relevant local authorities about a Mid-Kent Parkway station.

7.4 The proposed route is closest in definition to the original Route 2 option presented in July 1988. The main changes are:

- major extension of tunnelling from Kings Cross through South East London to a point east of Swanley
- maximum operational speed set at 140mph (225kph) to allow slightly revised and lower height crossing of the Medway and new alignment following the M20 between the A249 and west of Ashford
- new tunnel approach to Ashford and new line through Ashford at 125mph maximum speed
- new line alongside existing line from east of Ashford to Westenhanger
- connection to existing lines to the west of Ashford to permit use by Network SouthEast fast commuter trains.



Map1



Map2

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7.5 The environmental gains are:

- greater reliance on existing transport corridors
- increased tunnel in London and near Ashford
- reducing the visual effect of the Medway crossing
- avoiding Charing and the central village areas of Hollingbourne, Harrietsham and Lenham
- greater use of cuttings to mitigate noise and visual intrusion
- noise reduction through lower maximum train speeds.

7.6 On the other hand there will be people and property affected by this route not affected by the original proposals. As well as those affected by adoption of the M20 corridor and the new route through Ashford to the Tunnel. Two London locations are significantly affected. Immediately to the east of Kings Cross Low Level station, the Rail Link starts to go into deep tunnel. The first 175 metres will have to be constructed by the cut and cover method, which means the demolition of some property. Similarly, providing access for Waterloo trains to the sub-surface junction at Peckham will mean the temporary closure of Warwick Gardens and the compulsory purchase of some property in the immediate area.

7.7 BR's proposed route for the Channel Tunnel Rail Link is shown on maps 1 and 2. These maps are provided for illustration only and should not be used to establish the detailed alignment of the route.

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## 8. Characteristics of the Route

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8.1 The total length of the route between Kings Cross and the Channel Tunnel is 68 miles, of which 23 miles are in tunnel, 16 miles run alongside existing railway and 14 miles follow the alignment of the motorway. Only 15 miles (22%) of the Rail Link will be new transport route on the surface.

8.2 Overhead wires will carry the 25kV power supply and the latest technology will be used to ensure that visual intrusion from the electrification equipment is minimised.

8.3 On level ground the average width of the line between fences will be only 20 metres, including space for access and safe walkways. This compares with around 50 metres width for a dual three-lane motorway.

8.4 Surface sections of the route will be standard gauge (1432mm) continuous welded rail with concrete sleepers laid on compacted ballast.

8.5 Cuttings and embankments are used to even out the gradient of a railway track as the level of the ground rises and falls. Track gradients on the Channel Tunnel Rail Link will be steeper than those normally used so that the cuttings will not have to be as deep, or the embankments as high, as on other main lines.

8.6 The width of land the line occupies will be kept to a minimum by using the steepest side slopes that the soil type will allow, with retaining walls where necessary. Side slopes of cuttings and embankments will be sown with grass and planted with trees and shrubs to make the landscaping as sympathetic to the surrounding environment as possible. Design of noise protection measures will be important, particularly where the line runs on embankments.

8.7 Where the route crosses existing railways, rivers or roads, bridges will be built either under or over the line, and automatic detection of obstructions will be built into their design. Viaducts will be used over the rivers Darent and Medway.

8.8 Tunnels will be constructed with a continuous lining of pre-cast segments of concrete or similar material. A concrete floor will carry track (slab track).

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- 8.9 Instead of using conventional fixed signals at the side of the tracks, signals will be provided in the driver's cab of the train. Each train will also be fitted with radio so that the driver is in continuous direct contact with the control centre.

### **Safety**

- 8.10 Space will be provided alongside the track to allow maintenance staff safe access, and the route will be fenced throughout, with no level crossings.
- 8.11 In twin bore tunnels cross passages and walkways will be provided to allow evacuation of trains. In the single bore double track tunnel, the adjacent track will be used. Emergency lighting will come into operation in both cases.
- 8.12 Maintenance work on the line will be undertaken by closure of sections of one track as necessary, with the speed of trains on the other track being limited by the signalling system.
- 8.13 There will be regular discussions with the Railway Inspectorate and other safety authorities as part of the detailed design process.

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## **9. Rail Services: The Benefits**

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### **Passenger Services: International**

- 9.1 The new line will reduce the journey time between London and the Tunnel by 30 minutes to around 40 minutes, compared with 70 minutes by international trains using existing routes in 1993 at off peak times and 84 minutes in peak periods.
- 9.2 Saving 30 minutes will reduce the city centre to city centre journey times between London and Paris to 2hrs 30mins, and between London and Brussels to 2hrs 15mins. This will make rail travel even more competitive and attract more traffic from other forms of transport, including air.
- 9.3 Provision of new track will lead to a smoother more comfortable ride for rail passengers. The new route combined with the choice of Kings Cross as the second London terminal will provide much better interchange to services on BR's main line network, particularly to the north, as well as improved overall journey times.
- 9.4 The transfer of all international passenger services and provision of new fast commuter trains will free capacity on existing lines to cope with any foreseeable international freight services as demand grows, and allow the maximum amount of freight operation during the daytime.

### **Passenger Services: Kent**

- 9.5 The latest forecast of growth in commuter traffic from Kent indicates increasing capacity problems on both trains and tracks during the peak hours by the second half of the 1990s.
- 9.6 Plans are being implemented to meet the needs of Kent commuters over the next five years, including new trains, new signalling, station improvements, and longer platforms to take longer trains.
- 9.7 New Networker trains giving more capacity, greater comfort and improved journey times will be introduced first on suburban routes and then on longer distance routes between 1990 and 1994.
- 9.8 Nevertheless, the longer term level of projected growth requires the sort of radical solution which the new Rail Link offers.
- 9.9 Use of the new Rail Link by domestic services — peak and off peak — will provide direct benefit to a number of areas, and could transform the economic prospects of parts of East Kent in particular.

9.10 The possible improvement in commuter journey times to London could be as follows:

From	Present time (minutes)	Future time (minutes)
Ashford	70	35
Folkestone	90	50
Canterbury	90	50
Dover	100	60
Ramsgate	120	65

9.11 The transfer of customers to the new services would mean that the improvements would also be extended to people using other Kent services, for example Sevenoaks, Tonbridge, Tunbridge Wells and beyond, where capacity would become available and reliability improved.

9.12 In order to offer the maximum benefits to Kent rail travellers from fast commuter services, the provision of a Mid-Kent Parkway station — with extensive car parking facilities — would be highly desirable. Such a station in Mid-Kent could offer a journey time of less than 30 minutes to Kings Cross. It would, however, raise wider planning, development and road capacity issues which require careful examination.

9.13 Accordingly, BR will invite the appropriate local authorities to join it in detailed studies, over the next six months, of whether these various requirements can be reconciled.

#### International Freight Services

9.14 BR's Railfreight Distribution currently carries some 2m tonnes of freight each year between the UK and mainland Europe in containers and by train ferry. With the opening of the Channel Tunnel this market share is expected to triple to 6m tonnes in the first full year.

9.15 It is planned, before 1993, to invest over £150m in new high speed electric freight locomotives and in additional and strengthened system capacity around London and on existing Southern Region lines.

9.16 There will also be major investment with European partners and the UK private sector in such areas as wagons and terminal facilities.

9.17 In 1993, there will be up to 35 freight train pathways available each way daily over existing lines in Kent. This will provide sufficient capacity to handle the forecast traffic both in 1993 and several years beyond.

9.18 Building the new Rail Link will permit the operation of high speed, high value parcels type services on the new line, and will at least double capacity for other freight services on existing lines. This will be important in ensuring that international lorry traffic through Kent is kept to a minimum.

9.19 Some 75% of international rail freight will begin or end its journey beyond South East England. To capture the traffic, Railfreight Distribution is developing a strategy based on through services from regional centres direct into Europe.

9.20 The first of the new international sites has already been agreed at Leeds (Stourton). Subject to viable traffic volumes being available it is also clear that International facilities offering direct train services to European destinations will be located in Strathclyde, Manchester, Birmingham and Teesside.

9.21 Discussions with local authorities and the private sector are expected to establish further locations, particularly for South Wales and North West England.

9.22 A new Channel Tunnel freight interchange facility will also be required at Willesden. It will ensure the speedy assembly of traffic for those continental destinations where a full trainload cannot be justified. Customs and Excise clearance facilities will be provided at Willesden for London and South East traffic.

9.23 Railfreight Distribution will be able to offer transit times comparable with the best road can offer:

	Terminal to Terminal	Door to Door
Leeds-Lille	11 hrs	17 hrs
Glasgow-Paris	16 hrs	22 hrs
Birmingham-Basle	18 hrs	24 hrs
Manchester-Milan	31 hrs	36 hrs

9.24 Lorryload type traffic will be carried in trains up to 750 metres long or with a 1,600 tonnes gross trailing weight. Trainloads will include cars, car components, steel and general merchandise.

## 10. Safeguarding the Environment

### Commitment to Environmental Protection

10.1 British Rail attaches very great importance to the need to minimise the potential environmental impact of constructing and operating the Channel Tunnel Rail Link. Its decision on the proposed route has paid close attention to the environmental criteria outlined by Kent County Council and others. But BR also recognises that commitment to environmental protection does not end there.

10.2 BR will maintain its commitment in three ways:

- (i) by adhering to a noise standard and to specific landscaping objectives. (These are described below.)
- (ii) by devoting particular attention, during the detailed design phase, to identifying additional environmental protection measures.
- (iii) by commissioning an Environmental Assessment of its proposals, voluntarily undertaking the tasks specified in the EEC Directive (85/337) on Environmental Assessment.

10.3 One aim of the Environmental Assessment will be to assist in the identification, evaluation and selection of the most effective protection measures.

10.4 The other aim will be to ensure that at the time of the deposit of the Parliamentary Bill, information is available about the potential effects of the scheme, the steps which BR will take to reduce or avoid adverse effects, and the nature of the remaining adverse effects. This information will be contained in the Environmental Statement.

10.5 The assessment outlined in 10.2 (iii) will not be conducted by BR but by environmental assessors commissioned to undertake the task. They will seek the views of local residents and other interested parties in establishing their options for reducing environmental effects.

### Noise and Landscaping Protection

10.6 At this stage of the project, and before the detailed examination of protection measures, BR recognises the importance of the need to reduce the potential for noise disturbance caused by the Rail Link, and of protection of the landscape.



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## Noise

- 10.7 BR will ensure wherever possible that noise levels outside the 240 metre corridor defined in paragraph 11.1 will not exceed 70dB(A) 24 hr Leq. In most places this standard will be achieved by controlling noise at source.
- 10.8 At many places along the route, noise levels within this corridor will be significantly lower than those outlined especially where the track is in cutting.
- 10.9 Whether noise is continuous or intermittent, its level at any instant can be measured on the decibel (dB) scale. The A-weighted scale (dB(A)) is used because it gives more importance to the sound frequencies at which the ear is most sensitive. The Equivalent Continuous Sound Level (Leq) is an equated level of sound over a period, averaging out the times of high and low noise, and is generally accepted as the best current way of measuring railway noise. The Leq measured over 24 hours has been shown to be the best indicator of general annoyance caused by train noise.
- 10.10 BR recognises that especially high standards of engineering and landscape design are necessary in Kent to reduce intrusion into the landscape and that particular care is needed to reduce adverse effects on the outlook from homes.

- 10.11 BR undertakes that landscaping and visual effects of the new line, including the visual effects of noise control measures themselves, will be the subject of detailed study in the design phase and the Environmental Assessment.
- 10.12 BR undertakes, in advance of the detailed study, to make as much use as possible, within operating constraints, of screening that can be provided by natural topography; to recognise the particular importance of bridge and viaduct design and seek high standards of design for all structures; to adopt other landscaping techniques, including mounding, tree planting etc, wherever this will help to integrate the new line with the landscape.
- 10.13 BR will invite organisations with particular interest in the landscape to examine its proposals during the detailed design phase and to make comments on them.

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## 11. Compensation

- 11.1 Where the proposed Rail Link is not in tunnel, the exact width of land required to construct it will vary between 20 and 40 metres. For the purpose of BR's compensation arrangements, it is assumed that 40 metres will be required throughout. Either side of this 40 metres width BR is defining a further 100 metres width within which the arrangements will also apply — ie 240 metres in all. This is termed the 240 metre corridor and is shown on the published 1:10,000 maps. The arrangements will not apply to tunnelled sections.
- 11.2 In order to alleviate the blight being caused to many properties, the following immediate action is proposed for owners of residential property:
- BR will offer to purchase now any residential property within the 240 metre corridor shown on the published maps. This offer will remain open until either the Rail Link opens or BR decides not to proceed further with the project
  - should further detailed design lead to changes in the alignment, and consequently the 240 metre corridor, the offer will be extended to cover any newly affected properties

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- valuation will be based on a price, which disregards the effect of the Rail Link, at the date of application to sell. Any disputes on valuation will be referred to an independent arbitrator for settlement
  - BR will also make a disturbance payment covering the costs of removal, reasonable conveyancing and survey fees and a home loss payment, all in accordance with normal compulsory purchase practice
  - owners within the 240 metre corridor who do not wish to sell will be offered noise insulation for their property before construction begins at their locality, if noise resulting from the Rail Link exceeds 70dB(A) 24 hr Leq, on a similar basis to the scheme which operates in respect of new roads
  - should any case arise where the noise level outside the 240 metre corridor exceeds 70dB(A) 24 hr Leq, BR will offer noise insulation as above.
- 11.3 If, in due course, noise from operation of the Rail Link reduces the value of a house, a claim may be made for statutory compensation under the Land Compensation Act 1973, Part I.
- 11.4 For non-residential and agricultural property, BR will approach the relevant authorities or owners to discuss how best to deal with any problems on an individual basis.
- 11.5 Special arrangements will be announced, following consultation, for property owners affected by temporary work sites.
- 11.6 As a result of these new arrangements, BR is withdrawing the temporary scheme covering financial hardship, which it introduced in November 1988. Existing applications will be processed, but no new applications will be considered.
- 11.7 In due course the Parliamentary Bill will establish the limit of land to be acquired for the actual construction of the Rail Link and associated works. Those properties affected will have to be purchased by BR under the usual statutory purchase code.
- 11.8 Important provisions in this code are that the Lands Tribunal is empowered to settle valuation disputes, and that the price offered will be full market value, disregarding the effect of the Rail Link, at the date the property is acquired.
- 11.9 In addition to these, BR will purchase the whole of a residential property where only part, such as the garden or part of it, would need to be compulsorily purchased. Property cannot be compulsorily acquired until the Parliamentary Bill receives Royal Assent.
- 11.10 Final details of which properties need to be purchased compulsorily will not be known until the preparation of the Parliamentary Bill later this year. Owners will be notified at that time, but earlier confirmation of whether a particular property is affected or not will be possible as detailed design is completed at individual locations along the route.
- 11.11 British Rail Property Board will be appointing local agents to administer the property purchase scheme. The names of agents will be publicised in their local areas of responsibility. In the meantime any correspondence should be addressed to:
- Property Director, London and South East,  
British Rail Property Board,  
79-81 Euston Road,  
London NW1 2RT.
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## 12. Estimated Costs

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- 12.1 The route now selected is significantly more expensive to build than the options put forward for consideration in July 1988.
- 12.2 The main elements which cause the higher estimated costs are:
- remaining in tunnel until Swanley
  - using the M20 alignment through Kent
  - going through rather than round Ashford
  - noise reduction measures at source and protection measures elsewhere
  - significantly more generous compensation arrangements than those required by Statute.
- 12.3 Taken together these five elements add some £500m to the £1,200m cost of the nearest equivalent route put forward in July 1988.
- 12.4 BR will be examining, over the next six months, all possible ways of meeting these additional costs, including private sector involvement in the project.

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## 13. The Second Stage of Consultation

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- 13.1 A further and intensive programme of informing and consulting local authorities, organisations and individuals is planned to follow public announcement of the proposed route.
- 13.2 BR will be discussing the proposed route with Kent County Council and other appropriate authorities, and with the umbrella organisation for action groups KRAG (Kent Rail Action Groups), to ensure full weight is given to local concerns in the detailed refinement of the project.
- 13.3 Information Packs will be distributed immediately to those directly affected by the proposals and will be made widely available thereafter. The packs contain a map of the route and leaflets about the proposed route, compensation, noise, environmental issues and rail service plans.
- 13.4 Further distribution of this information will be made through a mobile exhibition which will tour towns and villages on the line of route during April and May.

- 13.5 Staff will be available at these exhibitions to deal with questions or to take a note of questions which cannot be answered on the spot and ensure that replies are given as soon as possible.
- 13.6 Where requested, counsellors will be visiting individuals or groups of householders to discuss issues such as compensation and environmental safeguards in relation particularly to noise.
- 13.7 Where a particular problem is identified which is not covered by the Board's proposals, it is the intention to engage in a dialogue with those affected to see if an agreed solution acceptable to all parties can be reached. This may involve the setting up of joint working parties.
- 13.8 This period of intensive discussion and consultation is timed to help the Board to fix a final alignment for the proposed route for inclusion in a Private Bill to be deposited in Parliament by November 1989.
- 13.9 The Private Bill procedure, which provides for Select Committee hearings in both Houses of Parliament, is the only means by which BR can acquire all the powers that it needs to construct and operate new railway lines.

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#### **14. The Next Steps**

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- 14.1 Between March and July 1989 BR will be engaged in an intensive communication and consultation process. Independent consultants will be carrying out an Environmental Assessment of the Channel Tunnel Rail Link.
- 14.2 BR will be prepared to set up joint working groups to deal with specific local problems.
- 14.3 The detailed route alignment will be established by the end of July to allow preparation of the draft Private Bill.
- 14.4 During this period, the Board will be inviting private sector consortia who have already gone through a pre-qualification phase to tender for the construction and possible ownership of the new Rail Link.
- 14.5 Only when the Private Bill has gone through Parliament, and the role to be played by the private sector has been clarified, will a final financial appraisal of the project be possible.
- 14.6 The estimated cost of the Rail Link is now around £1.7 billion, taking into account the full cost of environmental safeguards. These amount to some 30% of the total cost of the project, including the cost of additional tunnelling and other changes in alignment which are designed solely to solve environmental problems.



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SCALE 1: 250.000



# Channel Tunnel Rail Link Proposed Route March 1989



# Channel Tunnel Rail Link Information Pack

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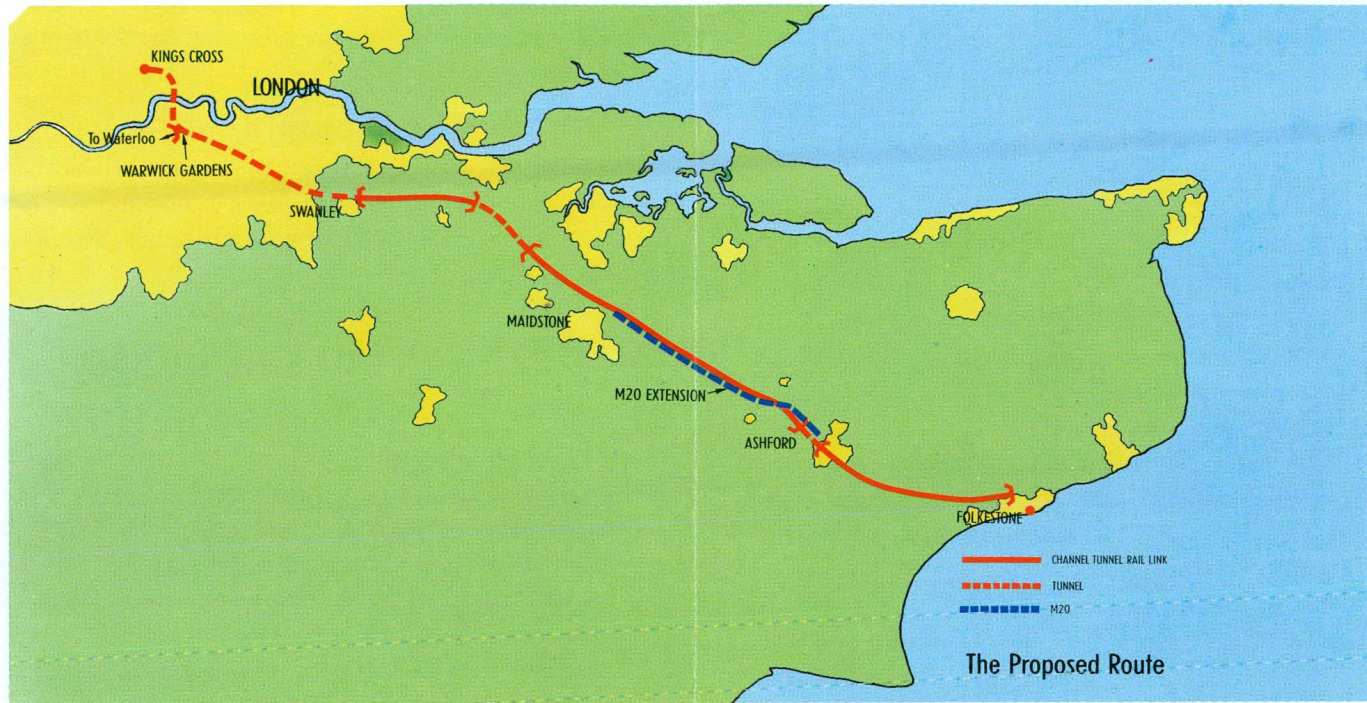


 **British Rail**

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 **British Rail**



Detling to Ashford Tunnel (western portal)

New railway on a new alignment alongside the M20 and its planned extension to Tuft Hill and to new Ashford Tunnel (15.2 miles; max speed 140mph)

Ashford Tunnel (western portal) to Willesborough through new tunnel to Ashford cattle market area and then on new tracks alongside existing railway (2.9 miles; max speed 125mph)

Willesborough to Channel Tunnel on new tracks alongside the existing railway (12.6 miles; max speed 140mph)

British Rail proposes to build a new international station at Ashford alongside the present domestic station, which will be rebuilt to deal with trains up to 16 coaches in length. Discussions will be initiated with the relevant local authorities about a Mid-Kent Parkway station.

The proposed route is closest in definition to the original Route 2 option presented in July 1988. The main changes are:

- major extension of tunnelling from Kings Cross through south east London to a point east of Swanley
- maximum operational speed set at 140mph (225 kph) to allow

slightly revised and lower height crossing of the Medway and new alignment following the M20 between the A249 and west of Ashford

- new tunnel approach to Ashford and new line through Ashford at 125mph maximum speed
- new line alongside existing line from east of Ashford to Westenhanger
- connection to existing lines to the west of Ashford to permit use by Network SouthEast fast commuter trains.

The environmental gains are:

- greater reliance on existing transport corridors
- increased tunnel in London and near Ashford
- reducing the visual effect of the Medway crossing
- avoiding Charing and the central village areas of Hollingbourne, Harrietsham and Lenham
- greater use of cuttings to mitigate noise and visual intrusion
- noise reduction through lower maximum train speeds.

On the other hand there will be people and property affected by this route not affected by the original proposals. As well as those

affected by adoption of the M20 corridor and the new route through Ashford to the Tunnel, two London locations are significantly affected. Immediately to the east of Kings Cross Low Level station, the Rail Link starts to go down into deep tunnel. The first 175 metres will have to be constructed by the cut and cover method, which means the demolition of some property. Similarly, providing access for Waterloo trains to the sub-surface junction at Peckham will mean the temporary closure of Warwick Gardens and the compulsory purchase of some property in the immediate area.

Local maps of the route at 1:10,000 are available and have been sent to people identified as living close to the route.

## What Happens Next?

- discussions to identify local problems and possible solutions
- detailed consideration of environmental issues raised
- detailed assessments of noise levels at nearby homes, buildings and open spaces
- preparation of a Bill to deposit in Parliament in November 1989, defining the final detail of the alignment and the environmental protection measures.

(Many of these aspects are described more fully in the other leaflets in this series)

Leaflets available:

- Compensation
- Construction and Engineering
- Environment
- Noise
- Rail Services



# Channel Tunnel Rail Link



## Proposed Route



# Proposed Route

## The Route Selection

Against a background of the Board's primary obligations to run an efficient, safe and economic railway, a number of key factors were considered in the selection of the route for the Channel Tunnel Rail Link. It had to meet international transport requirements and help improve transport for Kent itself. It had to be technically and financially feasible. Within these constraints a route had to be devised that had the least possible effect on people and the environment.

The planning and consultation with a wide number of people and organisations focused on these matters. As an important part of this process, Kent County Council set out criteria that it wished British Rail to take into account.

## Key Factors

### Transport Needs

The Channel Tunnel Rail Link through Kent must be capable of meeting the estimated demand for both international and domestic travel in terms of capacity, access to and from central London and the national main line rail network, and improved journey times.

An independent report commissioned by Kent County Council confirmed British Rail's view of the requirement for new rail capacity in Kent. It concluded that the problems of upgrading existing routes were extensive and that such a solution would be as expensive as building a completely new line and would not offer the same benefits.

### The Engineering

Technically a rail link could be built in any one of the four route corridors proposed in British Rail's July 1988 report. The engineering solutions and costs would be different in each case, for example because of varying need for tunnels, viaducts, embankments and cuttings.

## The Environment

Limiting the effect on the environment is probably the most difficult criterion to satisfy. Building a railway through 68 miles of South East England cannot avoid some environmental impact on communities, individual properties and the countryside. Considerable attention has been given and will continue to be given to reducing environmental impact, by basic design or where this is insufficient, by providing protection measures.

## Comparing the Routes

Of the four routes originally proposed at the time of publication of the British Rail report in July 1988, Route 4 was discounted. Two additional routes were suggested and also considered.

Rachel (Rainham to the Channel Tunnel) is a proposal to build a new tunnel from a junction with the Channel Tunnel beneath Dover to emerge alongside British Rail's existing tracks between Purfleet and Rainham in Essex. No detailed assessment of this proposal has been carried out as the costs of tunnelling through Kent to Rainham would be prohibitive. Nor is it clear how access could be gained to British Rail's central London termini without further major tunnelling work.

Talis (Thames Alternative Link International System) follows the existing railway alignment between the Channel Tunnel and Ashford before entering tunnel to emerge east of Sittingbourne, near the M2 motorway, crossing the Thames to the north-east of Gravesend to join existing British Rail routes in Essex.

This route has been discussed with its sponsors and a broad assessment made of its implications. To gain access to British Rail's central London termini, the route would need to be modified probably by remaining on the Kent side of the Thames, joining existing British Rail tracks to London at a convenient point.

Talis would involve considerably more expenditure in Kent on tunnels and would give a slower journey time. When modified to gain access to central London termini, the amount of tunnelling is further increased and costs would be substantially greater than British Rail alternatives.

With a longer overall route to central London and long tunnel sections where speeds would be limited, the route would be

an unattractive proposition to rail travellers. Nor is the route free of environmental problems. It would require extensive embankment and other engineering solutions within the North Kent marshes, with considerable potential for serious impact on wildlife habitat and the water regime.

Although both Rachel and Talis may be technically feasible, British Rail has concluded, for the reasons given, that both should be rejected.

## Route 3

The further evaluation of Route 3 leads to a verdict that the route is technically feasible but is difficult in terms of its impact on the environment.

The route passes through an area of dispersed settlements with scattered woodlands. Action taken to mitigate impact in one place would almost certainly impact adversely somewhere else along the route.

Before passing south of Ashford, the route crosses two flood plains – the Upper Medway and the Stour. Retention of flood relief and water storage areas would need careful design and construction.

The advice of British Rail's environmental consultants is that it would be extremely difficult to build effective environmental protection measures into Route 3 in these areas.

Route 3 is less attractive as an option in terms of its ability to offer improvements to domestic rail passenger transport in North Kent. Nor is it compatible with Kent County Council criteria on the use of existing transport corridors, or on minimising the use of embankments and viaducts. It would also cause greater severance of land in agricultural or orchard use than Routes 1 and 2.

## Route 1

Route 1 is technically feasible but is subject to a number of environmental difficulties. It crosses sensitive open space and is very close to a number of communities between Albany Park, Longfield and the North Downs Tunnel.

It involves crossing the Medway on viaduct. It affects a number of important villages in Mid-Kent and creates a new rail corridor to the north of Ashford through environmentally sensitive countryside.

Route 1 is more attractive as an option in terms of its ability to offer an improvement to domestic services from Mid-Kent and the Medway towns.

## Route 2

Route 2 differs from Route 1 only in that it maximises the use of an existing rail corridor between Swanley and the North Downs Tunnel, crossing the Darent on viaduct alongside the existing viaduct at South Darenth.

## The Proposed Route Corridor

The re-evaluation of routes carried out by the Board, together with the information provided and the views expressed during the consultation, have led the Board to reject all the routes as originally proposed, and to choose a new route which is closest to the original Route 2 corridor, but with substantial variations in alignment and the length of tunnel, which considerably reduce the environmental impact.

The new route of the proposed Channel Tunnel Rail Link is:  
**From Kings Cross:**  
in tunnel to a sub-surface junction at Warwick Gardens, near Peckham Rye station (5.5 miles; max. speed 100mph)

**From Waterloo:**  
using existing surface railway and descending to a sub-surface junction at Warwick Gardens (5.2 miles: max. speed 60mph)

**Then:**  
Peckham Rye to east of Swanley (between Swanley and Swanley Village) in twin bored tunnel (12.1 miles; max. speed 100 mph)  
Swanley to new North Downs Tunnel (west portal) on new tracks alongside the existing railway to a point east of South Darenth, and on new railway to the tunnel portal (8.1 miles; max. speed 125mph)

North Downs Tunnel (4.1 miles; max. speed 125mph)  
North Downs Tunnel (east portal) to Detling as originally proposed but with a lower and slightly modified alignment across the Medway (7.5 miles; max. speed 140mph)



# Tackling The Noise Problem

Noise from all modes of transport can be a problem. British Rail appreciates the concern expressed about possible noise effects of the proposed new Channel Tunnel Rail Link and is tackling the problem.

## Measuring Noise

Noise is measured on various decibel scales (dB). The dB(A) scale is generally considered the most useful because it concentrates on the frequencies at which the ear is most sensitive.

### Some Comparisons

Most people can detect a change of 3dB(A) and an increase of 10dB(A) means roughly a doubling of loudness. The noise level inside a rural house at night is probably 30-35dB(A). Noise at 25 metres from an urban motorway is about 75-80dB(A), first generation French TGV trains peak at 99dB(A) at 167mph at a similar distance, and the noise of a jet aircraft overhead near an airport can reach 115dB(A).

Typically trains in Kent travelling at 90mph produce 92dB(A) as do British Rail InterCity 125 diesels at top speed. The new international trains are being designed to produce no more than 93dB(A) at 140mph and only 91dB(A) at 125mph. All measurements refer to a point 25 metres from the line.

## Train Noise and the Channel Tunnel Rail Link

Train noise is intermittent, not continuous like a busy road. Research has shown that the best indicator of the general annoyance caused by train noise is the Equivalent Continuous Sound Level (Leq), averaged over 24 hours. The Leq represents the combined effect of the number of train movements and their maximum noise level.

On this scale, a typical level of noise at 25 metres from a motorway would be 76dB(A), which is the same level as British Rail's West Coast Main Line (180 electric trains per day at up to 100mph). By comparison, on the busiest single day (a summer

Friday), 15 years after the Channel Tunnel Rail Link opens typical noise levels of 74dB(A) Leq are predicted 25 metres from the line.

As the intensity of operation of the line will be substantially lower than this in the early years of operation, noise levels will be below the 74dB(A) Leq indicated above.

## How is this Achieved?

### —Smoother track and quieter trains—

The main source of noise is the movement of the wheels on the track and design of both the trains and the track has a vital part to play in reducing this noise. The Channel Tunnel Rail Link will be the most modern track in the country, laid to very high standards. Continuous welded rails and the use of disc brakes will help to minimise train noise.

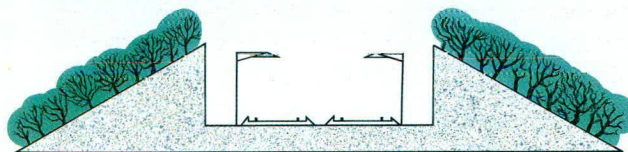
A special streamlined shape will cut down the aerodynamic noise of the train at high speeds. Since these new high speed trains will be electric, there will be no diesel engine noise.

### —Speed of Operation—

Noise levels increase as train speeds increase. British Rail has decided to plan the operation of the line for a maximum train speed of 140mph which will bring a reduction in levels of noise.

## Designing the Line

The design of the line is the next stage in the process of noise reduction. Long sections of the new Rail Link will be in tunnels. At tunnel entrances and exits and in the open, British Rail will use a variety of other techniques to cut down noise, such as cuttings and false cuttings within embankments. (see below)



Not to scale

Similarly, screens and landscaped mounds can reduce noise levels by up to 10dB(A). As part of the process of finalising the design of the Rail Link, British Rail will be discussing the most appropriate solutions for each locality.

## Noise Assessment

British Rail's aim is to limit noise disturbance, not just for every home affected by the new Rail Link, but for schools, hospitals and other noise sensitive locations.

When the details of the vertical and horizontal alignments of the line are fixed, it will be possible to forecast noise levels at individual locations. These forecasts will help to determine the necessary noise reduction measures along the length of the Rail Link. Independent assessors will be used to ensure that the forecasting process works fairly. Noise will also be one of the topics covered in the Environmental Statement which will be ready when the Bill seeking authority to construct the Channel Tunnel Rail Link is deposited in Parliament. (See Environment Leaflet for details).

## Setting Standards

At present, there are no guidelines covering noise levels for new railways.

British Rail has already stated (see Compensation leaflet) that it will purchase any residential property within a 240 metre wide corridor if the owner wishes. British Rail will ensure, wherever possible, that noise levels at residential property outside this corridor will not exceed a level of 70dB(A) Leq, as a result of noise from the Rail Link. Further details of the compensation scheme can be found in the Compensation leaflet.

## Summing up

British Rail is taking positive steps to tackle the problem of noise from the Channel Tunnel Rail Link by:

- designing the line for a maximum speed of 140mph
- designing trains and tracks so they will produce minimum noise
  - less than first generation French TGV's and comparable to existing British Rail trains at lower speeds
- using the natural lie of the land and careful landscaping to shield the track
- carrying out detailed assessments of noise levels at nearby homes, buildings and open spaces
- ensuring wherever possible that noise levels from the Rail Link will not exceed 70dB(A) Leq outside the designated 240 metre corridor.

Further technical details on noise and the Channel Tunnel Rail Link are available in a separate booklet entitled:  
**NOISE: SOME EXPLANATORY NOTES.**  
Available from: Channel Tunnel Rail Link, Acoustics Dept, Southern House, Wellesley Road, Croydon CR9 1DY.

Other leaflets available: Proposed Route  
Compensation  
Construction & Engineering  
Environment  
Rail Services

# Channel Tunnel Rail Link

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## Noise



# Construction and Engineering

The construction of the proposed new Channel Tunnel Rail Link will require the excavation of tunnels and cuttings and the building of embankments, bridges and viaducts along the route. The total length of the route between Kings Cross and the Channel Tunnel is approximately 68 miles of which 23 miles is in tunnel, 16 miles runs alongside existing railway tracks and 14 miles follows motorway. British Rail will make every effort to ensure that all the construction work is carried out with the minimum disruption to people, property and the environment.

## Working Procedures

The new line will be built in stages, with working sites along the route, as with motorway construction. One major difference is the width of the land required for construction. On level ground, the average width of the line between fences will be only 20 metres, including the walkway on either side of the tracks. This compares with around 50 metres for the width of a dual three-lane motorway.

## Working Sites

Working sites will be used for storing equipment and materials, and will include portable buildings to serve as offices, and workshops. Sites near tunnel construction will need to include space for storing the concrete segments used for lining the tunnel. Concrete mixing plant may have to be set up in places if ready mixed concrete is not locally available for building bridges and other heavy structures.

## Construction Noise

British Rail will take great care to ensure the minimum disturbance to those living and working near the construction areas. Contractors will have to abide by noise restrictions agreed with Environmental Health Officers in each district and borough along the route. Hours of work will be as normal in the industry.

## Liaison

British Rail will require each contractor working on the Rail Link to employ liaison officers. They will discuss any potential

problems with residents so that swift action can be taken to provide solutions. Regular contact with local communities will continue during construction.

## Traffic

High priority will be given to keeping traffic flowing normally along existing roads. Short sections of temporary road surface may be laid to minimise the need for traffic diversions. Site access for construction traffic from major roads will be carefully chosen to limit the noise and inconvenience. Wherever possible, earth-moving equipment and contractors' lorries will use the new rail route itself as a roadway.

## Transporting Materials

Various materials will have to be transported to and from the working sites by road. Surplus material from the excavation of tunnels and cuttings will be removed to the most suitable agreed sites, such as disused mineral workings.

Trucks will need to deliver material for building embankments, and sand and aggregates for concrete mixing. For the section of route alongside the M20, it is hoped to use access points provided for motorway construction. Ballast which is special hard stone for laying as the base of the track, will be brought by rail wherever possible.

## Open Sections

Safety considerations are paramount in the design. Fences will run the complete length of the route. There will be no level crossings. Sections of route not in tunnel will have conventional railway track: standard gauge continuous welded rail with concrete sleepers laid on compacted ballast. The line will be electrified with 25kV overhead wires, in a similar manner to the lighter structures being used in the electrification between Kings Cross, Leeds and Edinburgh.

## Embankments and Cuttings

Cuttings and embankments are used to even out the gradient of a railway track as the level of the ground rises and falls. Track gradients on this Rail Link will be steeper than those normally used so that the cuttings will not have to be as deep, or the embankments as high, as on other main lines.

The width of land the line occupies will be kept to a minimum by using the steepest side slopes the soil type will allow, with retaining walls where necessary. Side slopes of cuttings and embankments will be sown with grass and planted with trees and shrubs to make the landscaping sympathetic to the surrounding environment.

## Bridges and Viaducts

Where the route crosses existing railways, roads or rivers, bridges will be built. Viaducts will be used over the Rivers Darent & Medway. A safety system, which automatically detects obstructions on the line, will be incorporated into the design of all bridges and viaducts.

## Tunnel Sections

Tunnels will be constructed with a continuous lining of pre-cast segments of concrete or similar material. A concrete floor will carry the track (slab track).

Significant surface settlement will be avoided by the use of deep tunnels and by the use of special tunnelling machinery where the tunnels are near the surface. Particular attention will be paid to the engineering of tunnels beneath high rise buildings and other deep foundations. Insulation against vibration from the movement of trains will be provided by the ground material in which the tunnel is built and the latest developments in damping will be incorporated.

## London Area

In the London area tunnelling machinery will excavate the material through which the tunnels will be built and seal off water at the face of the tunnels during construction. Excavated material will be removed through the shafts and taken away by rail, barge, or road, as appropriate. Deep twin tunnels, each 6 metres in diameter, will be built from a point near Swanley in Kent to the new terminal at Kings Cross. There will be a surface connection, west of Peckham Rye station, to allow some trains to run to the international terminal at Waterloo. Shafts, each with a working site, will be sunk at intervals to allow for access. Ventilation and emergency access will be provided by additional shafts every 2 miles and by cross passages in the tunnel every 500 metres.

Reconstruction of part of the existing railway viaduct west

of Peckham Rye station and excavation in Warwick Gardens will be necessary. A concrete box covering the new rail layout will be built inside the excavation and the park reinstated on top when the work is completed. Some houses around the park will need to be acquired and others will have to be vacated during construction.

### North Downs

The 9 metre diameter tunnel under the North Downs will carry two tracks. Specially made shields will be used to support the chalk during excavation. A shield will be erected at each end and modern construction techniques will prevent the excavation from affecting buildings on the surface.

A working site will be set up at each end of the tunnel, but there will be no need for intermediate access shafts along the route. Some of the excavated chalk may be used for building embankments and the rest will be taken away to a suitable tip.

### Ashford

The length of cut and cover tunnel in Ashford itself, near the new international station, will require the acquisition of some light industrial properties.

The short tunnel to the west of the town will be twin bore, each bore 6 metres in diameter and carrying one track. There will be no access shafts and the excavated material will be removed via a working site at one end.

## Summing Up

British Rail will take great care in the construction of the Channel Tunnel Rail Link to make sure that minimum disruption is caused to local communities during the construction work by:

- requiring contractors to agree noise levels and working hours and to liaise with local communities before and during construction work
- taking care that site access does not disrupt traffic flow
- restoring working sites to their former condition
- using modern equipment and techniques to minimise problems of settlement, and noise and vibration from trains in tunnels.

Other leaflets available: Proposed Route

Compensation

Environment

Noise

Rail Services

# Channel Tunnel Rail Link



## The Construction & Engineering of the Route



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# Safeguarding the Environment

Building a major new railway is bound to have an impact on the environment. British Rail has therefore sought advice from environmental consultants from the start of the project, to ensure that effects on the landscape and local communities are fully considered. Already British Rail has made the decision to run 30 miles of the track alongside existing track or motorway and to run 23 miles of the Rail Link in tunnel. This means that only 15 miles out of 68 miles will be new transport route on the surface.

Because of its importance, noise is dealt with in a separate leaflet.

## Finding Out the Facts

### Environmental Study

To make sure all the important issues are taken into account, British Rail has commissioned an independent study of the environmental impact of the Channel Tunnel Rail Link.

This study has three main aims:

- to identify local problems
- to design and evaluate methods of environmental protection
- to ensure that Parliament, the public and British Rail are properly informed as to all the environmental issues.

### Consultation

A vital aspect of the study is full consultation, not only with organisations such as the Nature Conservancy Council, English Heritage, National Farmers' Union, and the County, District, Borough and Parish Councils concerned, but also with Residents' Associations, other local groups and members of the public who are concerned at how the Rail Link might affect their surroundings and the way they live.

## Taking Action

### Respecting the Landscape

Long stretches of the Rail Link will be in tunnels. Where the

track and electrification facilities are in the open, however, British Rail will identify ways of integrating the line with the landscape. For instance, it may be appropriate to use cuttings, landscaped mounds, tree planting or other forms of screening.

British Rail will take advice from recognised bodies on designs for bridges, viaducts and tunnel entrances so that the architectural quality and style of these structures is fully considered. The Countryside Commission and other interested bodies will be consulted on all issues relating to the landscape and recreation.

### Protecting Nature

There are many important areas of natural and semi-natural habitat in Kent, some within the route corridor. British Rail will seek detailed discussions with the Nature Conservancy Council and the Kent Trust for Nature Conservation concerning the protection of animal and plant life. British Rail also recognises that the protection of rivers, streams and underground water supplies will require a similar approach.

### Preserving the Past

Kent has a marvellous historical heritage and this has been an important factor in designing the route for the Rail Link. For example, British Rail has taken the decision not to route the Rail Link through a number of important historical villages at the foot of the North Downs. British Rail will work with English Heritage, the Museum of London and local Kent groups to investigate sites of archaeological interest along the route.

### Maintaining Communities

British Rail is well aware of the importance of preserving people's enjoyment of their homes and surroundings. During the consultations with local communities, any effects of the Rail Link on amenities such as village halls, sports facilities and recreational areas will be discussed. British Rail will take action to protect these features. When this is not feasible, replacement facilities will be provided.

### Helping Commercial Concerns

Where British Rail's plans necessitate the taking of agricultural land or business premises, compensation will be negotiated.

Where access is disrupted, provision of alternatives will be discussed with landowners.

British Rail will offer constructive, practical help wherever possible. For example, if the line were to cut through two adjacent farms, help could be given in arranging the re-allocation of land so that both farms were more easily managed.

## What Happens Next?

British Rail has already identified some of the locations where specific action will be necessary. The comments and findings of local groups have been very useful in bringing this about and the consultation process will continue during the detailed design phase.

The Environmental Study will continue this process and will conclude with the production of the Environmental Statement. This will:

- identify all the potential problems
- detail the steps it is intended be taken to reduce or avoid these problems
- describe the effectiveness of these measures
- say what the remaining effects will be.

This Statement will be ready when the Bill seeking authority to construct the Channel Tunnel Rail Link is deposited in Parliament. It will be available to the public, together with more detailed local reports.

## During the Construction Phase

Full discussions will be held with local authorities and communities along the route before work begins. In order to ensure minimum disruption, strict regulations and legal obligations will be laid down for all contractors.

## Summing Up

British Rail is committed to limiting the environmental impact of the Channel Tunnel Rail Link by:

- carrying out full consultation to identify local problems and possible solutions
- giving detailed consideration to environmental issues raised
- acting to protect the landscape, natural habitats, and archaeological sites
- respecting the quality of life for people in their homes and communities
- imposing strict working conditions on all construction sites.

The public will be kept fully informed throughout both the design and construction phases.

If you have particular concerns you wish to see addressed in the environmental assessment, or if you want to meet the people who are studying the environmental effects, please write to:  
Technical Director, Environmental Planning and Management,  
Environmental Resources Ltd, 106, Gloucester Place,  
London W1H 3DB.

Other leaflets available: Proposed Route  
Compensation  
Construction & Engineering  
Noise  
Rail Services

 **British Rail**

# Channel Tunnel Rail Link

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## The Environment



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will be located in Strathclyde, Manchester, Birmingham and Teesside. Discussions with local authorities and private enterprises are expected to establish further locations for freight terminals, particularly for South Wales and North West England.

A new Channel Tunnel Freight interchange facility will be required at Willesden. It will ensure the rapid re-arrangement of trains for those continental destinations where a full trainload cannot be justified. Some Customs and Excise clearance facilities will be provided there for London and South East traffic.

Railfreight Distribution will be able to offer transit times comparable with the best road can offer: For instance,

	Terminal-to-Terminal (hours)	Door-to-Door (hours)
Leeds-Lille	11	17
Glasgow-Paris	16	22
Birmingham-Basle	18	24
Manchester-Milan	31	36

### Types of Traffic

Lorryload type traffic will be carried in trains up to 750 metres long or with a 1,600 tonnes gross trailing weight. Trainloads will include cars, car components, steel and general merchandise.

### Investing in the Future

Before 1993 Railfreight Distribution plans to invest over £150m in new high speed electric freight locomotives and in additional and strengthened system capacity around London and on existing Southern Region lines.

There will also be major investment with European partners and the UK private sector such as in the provision of wagons and terminal facilities.

When the Channel Tunnel opens in 1993, there will be up to 35 freight train pathways available each way daily over existing lines in Kent. This will provide sufficient capacity to handle the forecast traffic both in 1993 and for several years beyond. Construction of the new Channel Tunnel Rail Link will at least double freight capacity on the existing network.

## Summing Up

British Rail's plans for domestic and international passenger services and for rail freight will serve not only Kent and the South East, but the whole of the UK through:

- investing in trains, station improvements and new signalling for domestic services in Kent
- routing new fast commuter trains over the Rail Link
- reducing international journey times with high speed trains and easy access to the main line network
- introducing new rail freight services to help British industry benefit from proximity to Europe and the '1992 factor'
- taking thousands of heavy lorry loads off the roads.

Other leaflets are: Proposed Route  
Compensation  
Construction & Engineering  
Environment  
Noise

# Channel Tunnel Rail Link



## Rail Services



# Rail Services

When the Channel Tunnel opens in 1993, Europe will be opened up to international passenger and freight rail services. Initially these will comprise up to four international passenger trains per hour each way and up to 30 international freight trains per 24 hours in each direction.

## A Vital Link

At least 12 million people a year are expected to use international trains through the tunnel immediately after it opens in 1993 and The Channel Tunnel Rail Link will be vital in coping with the expected level of traffic only a few years later. British holidaymakers and business travellers will be able to reach mainland Europe without weather problems, waiting time and ferry delays at the Channel ports.

## Journey Times

International trains using existing routes in 1993 will take 70 minutes from London to the Tunnel off-peak and 84 minutes at peak times – the new Channel Tunnel Rail Link will cut the journey time to around 40 minutes.

This saving of 30 minutes will bring the centre of Paris to within 2 hours 30 minutes of London, and Brussels within 2 hours 15 minutes.

New international services will make rail travel highly competitive with air, not only in travelling time, but also in standards of service.

For many journeys from beyond London, the combination of a new terminus at Kings Cross together with the Channel Tunnel Rail Link will bring even greater time-savings – up to 1 hour in some cases.

## Comfort and Style

New, very comfortable trains, together with premium quality service at stations and on the trains, will set new standards for international rail travel.

Some passengers from other parts of the country may also be saved the discomfort and inconvenience of changing trains and terminals.

## Planning for Passengers and Freight

The plans evolved by British Rail will maximise the opportunity of the Tunnel to the benefit of the country as a whole while minimising the impact of forecast traffic growth in the county of Kent.

The Channel Tunnel Rail Link will provide high quality services for international and long distance commuter passengers alike. The investment on existing lines will allow freight to move efficiently and effectively in an environmentally sensitive way.

## New Stations

The route of the new line would permit the building of two important new stations. A new international and rebuilt commuter station at Ashford, and a Mid-Kent 'Parkway' station. This would be sited between Maidstone and the Medway towns and would include extensive parking facilities. By giving a journey of less than 30 minutes to Kings Cross, it would be a great bonus for commuters on the Rail Link.

British Rail recognises that there are wider implications associated with a proposal for a Mid-Kent 'Parkway' station and intends to study the matter fully with the relevant local authorities, in an endeavour to reconcile the varying requirements.

## Domestic Services

Kent rail travellers will gain dramatically from British Rail's plans. The Channel Tunnel Rail Link will bring in a new era of commuting in East Kent for those longer distance commuters, with new standards of comfort, choice and higher speeds. In addition, a substantial investment programme for existing lines will improve capacity, reliability and standards over the next few years.

## New Investment on Existing Lines

A major programme of investment is already under way. It will provide new rolling stock, modern signalling, station improvements and longer platforms to cater for longer trains. This

investment will produce a more reliable, modern and comfortable commuter railway.

The new 'Networker' trains will be introduced on shorter distance suburban services between 1990/91 and 1993/94, and on longer distance routes between 1991/92 and 1993/94. Networkers will reduce journey times, and give more passengers a smoother ride in a more attractive, modern environment, at the same time as saving energy and reducing maintenance costs.

As commuter services are introduced on the Channel Tunnel Rail Link, people travelling on the existing lines throughout Kent will find an improvement in both reliability and comfort. The transfer of commuters to the link will enable greater capacity to be made available for other services and ease congestion on the existing network allowing greater reliability.

The benefits will cover a large part of South East England from Hastings through to North Kent.

## More Comfort, More Capacity

Specially designed trains will be used for the domestic services that will run on the new Channel Tunnel Rail Link. These trains will offer very high standards of comfort and service in addition to providing the much needed boost in capacity. Initial planning indicates that in each domestic peak hour up to six trains from Ashford and Mid-Kent 'Parkway' could use the new link. Off peak, some two trains would run each way, every hour. It is forecast that a 35% increase in commuter traffic on the lines through Kent will arise by the year 2000 and the Channel Tunnel Rail Link has a vital role in satisfying that increasing demand.

## Faster Journeys

Journey times for commuter and leisure travel will be substantially reduced. Here are some examples of the achievable time savings:

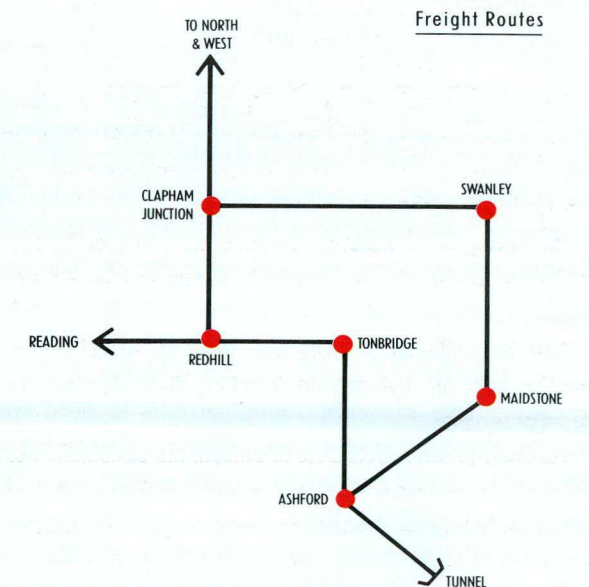
Main Centre to London	Present (minutes)	Future (minutes)
Ashford	70	35
Folkestone/Canterbury	90	50
Dover	100	60
Ramsgate	120	65

## Freight Plan

British Rail's Railfreight Distribution currently carries some 2m tonnes of freight each year between the UK and mainland Europe in containers and by train ferry. With the opening of the Channel Tunnel this business is expected to triple to 6m tonnes in the first full year – equivalent to over 1,000 lorry movements per day on Kent roads.

## Through Services: Beyond London

Some 75% of international rail freight will begin or end its journey beyond South East England. To capture the traffic, Railfreight Distribution is developing a strategy based on through services from regional UK centres direct into Europe.



Terminal sites in the north and west of the UK mainland are under examination. The first of the new international sites has already been agreed at Leeds (Stourton). Subject to enough traffic being available, it is also clear that international facilities offering direct train services to European destinations



# Introduction

British Rail has announced its proposed route for the Channel Tunnel Rail Link. There is still a lot to be done before the exact alignment of the track is finalised. This work will involve informing and consulting with local authorities, other organisations and bodies and individuals. The work will have to be completed before the proposed Bill can be deposited in Parliament.

Where the proposed line is not in tunnel the precise amount of land which British Rail will have to acquire at any given location will vary between 20 and approximately 40 metres.

Although the exact width of land required to construct the Rail Link will vary between 20 and 40 metres, for the purpose of British Rail's compensation arrangements it is assumed that 40 metres will be required throughout. On either side of the land required to construct the line, British Rail is defining a further 100 metre band within which the arrangements will apply: i.e. 240 metres in all. This is termed the 240 metre corridor and is shown in the published 1:10,000 maps.

## Residential Property

British Rail is well aware that uncertainty relating to the exact alignment of the track and to the environmental impact of the Rail Link on adjacent properties is causing distress to many people. British Rail therefore proposes the following immediate action to help owners of residential property in locations where the proposed line is not in tunnel.

(i) British Rail will offer to purchase now, any residential property within the 240 metre corridor shown on the published maps. This offer will remain open until either the Rail Link opens, or British Rail decides not to proceed further with the project.

(ii) Should further detailed design lead to changes in the alignment and consequently in the 240 metre corridor, the offer will be extended to cover any newly affected properties.

(iii) British Rail will also make a disturbance payment covering the costs of removal, reasonable legal and survey fees, and a home loss payment all in accordance with normal compulsory purchase practice.

(iv) Owners within the 240 metre corridor who do not wish to sell will be offered noise insulation before construction begins, if noise resulting from the Rail Link exceeds 70dB(A) 24hr Leq on a similar basis to the scheme which operates in respect of new roads.

(v) Reliable noise contours cannot be produced until the

detailed alignments of the Link are finalised. However, British Rail will ensure wherever possible that the levels of noise attributable to the Rail Link will not exceed 70dB(A) 24 hr Leq outside the 240 metre corridor. Should such noise levels be exceeded outside this corridor, then British Rail will offer noise insulation as in (iv) above.

If in due course noise from the operation of the Rail Link reduces the value of a house, a claim may be made for statutory compensation under the Land Compensation Act 1973, Part 1.

Special arrangements will be announced, following consultation, for property owners affected by temporary work sites.

## Non-Residential Property

Hospitals, schools, local authority housing and similar buildings will be individually considered. British Rail will approach relevant authorities to discuss how best to deal with any problems. Questions relating to agricultural, industrial and commercial properties will also be dealt with on an individual basis.

## Compulsory Purchase

In due course, the Parliamentary Bill will establish a limit of land to be acquired for the actual construction of the Rail Link and associated works and those properties affected will be purchased by British Rail under the usual statutory compulsory purchase code.

## Temporary Financial Hardship Criteria

With the introduction of these new permanent arrangements British Rail is withdrawing its temporary scheme, covering financial hardship, introduced in November 1988. Existing applications will continue to be processed but no new applications will be considered.

# Questions and Answers

## 1. I am the owner of a house within the 240 metre corridor shown on the potential plans:

### Q Will British Rail be prepared to buy my house?

A Yes. British Rail is prepared to buy now by agreement, any property within the 240 metre corridor shown on the published maps. If you prefer to wait, you can do so safely in the knowledge that the offer is open until the new line opens.

### Q To which date will the valuation be related?

A The date of receipt of application to sell, at a price which disregards the effect of the Rail Link.

### Q What happens if I think the price offered is too low?

A British Rail is prepared to arrange for disputes relating to value to be referred to and settled by an independent arbitrator.

### Q I do not want to sell my house. Can I get noise insulation?

A Yes, if the noise resulting from the Rail Link exceeds 70dB(A) 24 hr Leq British Rail will pay for this and it will be completed before construction work starts in your area.

### Q I do not want to sell my house. Can I get compensation?

A The existing law requires that in certain circumstances, compensation is paid in respect of houses that are reduced in value due to the operation of a project such as the Rail Link. Provision is made to enable people to claim compensation for the reduction in value of their property, attributable to factors such as noise from trains using the Rail Link. In general, compensation payments cannot be assessed until the line has been in operation for one year. If you think you have a valid claim, professional advice should be sought as to how and when you should make a claim.

## 2. I am the owner of a house which appears likely to be subject to compulsory purchase for the construction of the Rail Link:

### Q How do I find out if my house will be subject to compulsory purchase?

A A final list of properties required for the construction of the Rail Link will be prepared together with the Private Bill to be laid before Parliament and you will be personally notified at the relevant time. As this leaflet explains, the exact width of land required to construct the Rail Link is not yet defined at any particular locality. As the detailed design of the alignment progresses and is finalised, British Rail will be able to confirm whether a property will be required or not.

### Q What if only my garden, or part of it is needed by British Rail?

A British Rail is willing to purchase the whole property, including the house if you wish.

### Q When will I have to move?

A British Rail will not be able to exercise compulsory purchase powers until after the Parliamentary Bill receives Royal Assent.

Unless you agree to an earlier sale you will not need to give vacant possession of the property until the land is actually needed for the construction of the Rail Link.

**Q What price will I get from British Rail for my house?**

**A** The price paid to house owners will be the full market value of the property disregarding the effect of the Rail Link at the date the property is required.

**Q What happens if I think the price I am offered is too low?**

**A** The Lands Tribunal will arbitrate if there is any dispute as to the true value of a property.

**3. Other Payments**

**Q Will I receive any further compensation?**

**A** British Rail will pay disturbance costs, equal to the cost of removal and home loss payments in accordance with normal compulsory purchase practice.

**Q Who will pay the conveyancing and surveyors fees for my old house and new home?**

**A** British Rail will pay reasonable conveyancing fees and surveyors fees in accordance with the normal compulsory purchase practice.

## Local British Rail Agents

British Rail Property Board will be appointing local agents to administer the property purchase scheme. Agents' names will be published in the areas for which they have responsibility. In the meantime, any correspondence should be addressed to:

Property Director – London and South East, British Rail Property Board, 79-81 Euston Road, London NW1 2RT.

Other leaflets available: Proposed Route

Construction & Engineering

Environment

Noise

Rail Services

## Summing up

British Rail understands the financial and practical implications for property owners affected by the Channel Tunnel Rail Link. In addition to acting in accordance with statutory requirements British Rail is giving practical help by:

- offering to buy, by agreement, residential properties within the 240 metre corridor shown on the published maps. (This is considerably more generous than British Rail's legal obligations)
- in appropriate circumstances providing noise insulation for homes where the owner does not wish to sell, before construction work starts
- considering claims relating to non-residential property on an individual basis.

# Channel Tunnel Rail Link

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## Compensation



 **British Rail**

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 **British Rail**

CONTAINS MAP  
AND INFORMATION  
PACK

# dti

the department for Enterprise

The Rt. Hon. Lord Young of Graffham  
Secretary of State for Trade and Industry

Rt Hon Paul Channon Esq MP  
Department of Transport  
2 Marsham Street  
LONDON  
SW1P 3EB

Department of  
Trade and Industry

1-19 Victoria Street  
London SW1H 0ET

Switchboard  
01-215 7877

Telex 8811074/5 DTHQ G  
Fax 01-222 2629

CH/EXCHEQUER	
REC.	8 MAR 1989
ACTION	MR MORTIMER
COPIES TO	PMG
	MR LANKESTER
	MR PHELPS
	MR RIGALLU
	MRS CASE
	MR HOLMANN
	MR TYRRE

913

Direct line 215 5422  
Our ref MM2AFL  
Your ref  
Date 8 March 1989

### LORRY WEIGHTS

You wrote to Geoffrey Howe on 1 March outlining the approach you intend to adopt in handling this difficult issue over the next few months.

I am content with your proposed line for next week's Transport Council but I think it would be useful if we were collectively to take stock of the position in the light of the Council and reaction to your Commons statement.

I fully appreciate the political sensitivities involved but we must bear in mind that we are paying a substantial price for the derogation in terms of the cost penalties imposed on UK firms, and that business generally would like to see it brought to an end. Clearly, our objective must be to get the best deal we can for the UK but I think the time has come when we need to settle this issue once and for all.

I am copying this letter to other members of OD(E), John Wakeham, David Waddington and Sir Robin Butler.



FCS/89/045

SECRETARY OF STATE FOR TRANSPORT

CH/EXCHEQUER	
REC.	13 MAR 1989
	MR MORTIMER
	PM G
	MR LANCASTER
	MR PHILLIPS
	MR RIG ALLEN
	MRS CASE
	MR HOWLAND
	MR THRIE

✓ 13/3

*PMG*

Lorry Weights

1. Thank you for your letter of 1 March.
2. I agree with your proposed handling in the Council. I hope when you speak to Barrionuevo you can persuade him to defer the decision on 2, 3 and 4 axled vehicle derogations until June. This would be in line with the mood of the House last week, and would make good practical sense, given the obvious link to the 5, 6 axle derogation.
3. A copy of this minute goes to the other recipients of yours.

(GEOFFREY HOWE)

Foreign and Commonwealth Office  
13 March 1989



CHIEF SECRETARY

14 APR 1989

ACTION Mrs Flynn

COPIES TO CX Mr Anson

Mr Howes, Mrs Case 14 APR 1989

Mrs Lomas, Mr Moxmore

Mr Spurlison, Mr Cole

*Handwritten notes in red ink:*  
shd not be put into programme  
for roads  
or roads for  
roads  
roads

Prime Minister

**ROADS**

1. The meeting of E(A) on 23 February agreed that I should prepare a Roads White Paper and a consultation paper on privately financed roads, for publication in the second half of May.

2. Preparations are well in hand on both documents. We should be in a position to release them before the end of May. I have two proposals to make on the handling of the private finance Green Paper.

3. First, there would be advantages in not issuing the two publications on the same day. Each is an extremely important announcement in its own right. The White Paper will include a greatly expanded publicly-funded programme; the Green Paper will establish a major new role for the private sector in roads. We should take care not to waste a potential double opportunity. I believe we should publish the White Paper first, and the Green Paper a little later - though not by much, since it should be launched in good time for me to take account of comments for the legislation on private finance which I will be taking through Parliament in the next Session.

4. Secondly, I hope that we could look again at the decision not to refer to specific routes which we were considering for an early competition. I believe that to announce one good opportunity which the private sector could compete for would get the initiative off to a good start; although we should, I think, avoid sensitive corridors in South-East England.



5. It is essential that the Green Paper is received favourably by the private sector, and that they see it as further encouragement to bring forward innovative schemes. This is especially important at this stage. Since I made it known that I would be open to ideas, I have received a series of proposals for privately-financed roads. Most have not been properly thought through, and I have had to turn them down. Now, however, a proposal has come up which is both novel and carefully thought out, but which would be applied to a scheme that does not really suit us politically.

6. The specific case which has brought the issue to a head is the Birmingham Northern Relief Road. This is an urgently needed scheme to relieve the heavily congested central section of the national motorway network. It has been in my Department's programme for some years. It recently passed through its public inquiry, and I am now awaiting the Inspector's report. In the normal course of events, I could expect the new road to open at the end of 1994.

7. Tarmac have recently put to me an interesting proposal to finance, construct and operate the road to a new design. On the same amount of land, they would build four lanes in each direction: two inner sets of two lanes each would be tolled express-ways; and the outer un-tolled sets of lanes would be used by local traffic joining and leaving the road.

8. This idea is bold and imaginative. If it had emerged two years ago, it would have been the ideal scheme to launch our initiative on privately-financed roads. But this route is not the best one from the road user's point of view. The political presentation of our new policy is all-important; and if we are to gain popular support for such a radical concept, industry and the motorist must believe there is something in it for them. The



Birmingham Northern Relief Road is a long-awaited and much-needed scheme. Tarmac's proposal would subject it to a further period of uncertainty, and a delay of at least another year. All the procedures which the scheme has already gone through, including the public inquiry, would be invalidated. We should need a hybrid Bill to authorise its construction and tolling, preceded by a competition for the concession, as required by EC law. Furthermore, there would be objections that drivers would have to pay for a road which had been justified to a public inquiry as a toll-free part of the motorway network. The reaction from the business community would be unfavourable, to say the least. So although these objections could all be dealt with, they militate against taking this scheme as the first one under our new initiative. In my view, it would be much better to announce a competition for the Birmingham-Manchester corridor. I therefore believe that I must turn down Tarmac's proposal for the Birmingham Northern Relief Road - though I think it is worth noting that they might well be able to apply their idea to the Birmingham-Manchester route.

9. To summarise, I should be grateful for your agreement to:

(a) separate publication of the White and Green Papers, with a small space of time between them to allow us to maximise favourable publicity;

(b) the inclusion in the Green Paper of a proposal for an early competition for the Birmingham-Manchester corridor.

10. Because of the commercial sensitivity of Tarmac's proposal, which is unique to them, I am sending copies of this minute only





to John Major and Sir Robin Butler. But if you wish, I will circulate a suitably-amended note to all colleagues on E(A).

P.C.

PAUL CHANNON

14 April 1989

+0.5

MS

⇒ Tony plackrold  
ofle  
John

From: Nigel Forman.

17th April 1989.

Thank  
Nigel

To: Chancellor.

c.c. Chief Secretary.

Transport: a case for positive policies.

1. I expect you saw the enclosed leader in the Daily Telegraph recently. It contains many sensible points with which I and many back-bench colleagues would agree, I can assure you.

2. I do think that the points made are worthy of careful consideration in the context of this year's public expenditure round.

7077

# The Daily Telegraph

181 MARSH WALL LONDON E14 9SR TEL: 01 538 5000 TELEX: 22874/5/6  
TRAFFORD PARK MANCHESTER M17 1SL TEL: 061 872 5939 TELEX: 668891

## Transport: a case for positive policies

**I**T HAS become increasingly apparent in recent months that transport is becoming a major political issue. If many Conservative MPs do not wish to find this a liability at the next election, the Government will have to pursue more positive policies than it has attempted hitherto. The public expects government to make it possible to travel with reasonable speed, safety and efficiency. When it becomes difficult to do these things, government is blamed. The past few years have seen a boom in traffic that few experts foresaw. The congestion of the road and rail systems, particularly in the South-East, is a result of decades of under-investment in our transport infrastructure. The Government is starting to remedy this. But unless it is seen to be acting vigorously to tackle congestion and accommodate further growth, it will become more vulnerable on the issue — especially since even those schemes already approved will do little for the traveller before the 1990s. Roads between our major cities are overloaded. Traffic growth is outstripping such improvements as are planned. London's traffic moves at a crawl. Many trains offer standing-room only. The London Underground is at bursting point, and staff morale is low after the King's Cross disaster.

On Wednesday, we discussed the Government's exaggerated faith in enterprise as the sole arbiter of strategy in some fields where this is plainly inappropriate. Transport is a prime example. If there is an overall plan, it remains thus far in ministers' heads. On a piecemeal basis, this Government has done a considerable amount. After the early Thatcher years when a squeeze on all spending starved the infrastructure of capital, successive transport secretaries have presided over a steady increase in investment. Under Labour, the road programme amounted to little more than completing the M25. Road planning is now achieving more momentum, though still a long way short of what is needed, as Mr Peter Walker, the Welsh Secretary, and Mr John Banham, Director-General of the CBI, have pointed out. Railway investment is running at record levels — although the Government is reluctant, for ideological reasons, to make a virtue of its superior record in this direction. For example, during her first term, Mrs Thatcher called a "Think Tank" to challenge a proposal for a major programme of railway electrification. Much publicity attached to this; considerably less to the subsequent approval of a string of electrification schemes which amounted to much the same thing. The Government's own rhetoric enabled its critics to brand it, unjustifiably, as a skinflint.

The privatisation of transport industries and the injection of private capital into certain infrastructure projects offer clear long-term benefits. But they can seem irrelevant to road and rail travellers suffering ever greater delays and overcrowding. Private financing of the Channel Tunnel looks like proving a commercial success. But there is, as yet, little sign that private capital will give Britain the roads it needs. Likewise, privatising British Rail is a laudable objective. But the idea of selling off BR region by region does not make sense.

The first requirement is to speed up decision-making within the Department of Transport, and in its dealings with the Treasury. The importance of the DoT must be recognised by reinforcing the quality of its ministers and civil servants, and the quality and quantity of its engineers. The Treasury should relax its rules on the rate of economic return that railway schemes, in particular, must show to be approved. On the roads, the time has come for a pilot electronic pricing scheme to determine whether the system would work in inner London. Mr Channon and his ministerial team have flinched from facing this issue for too long. Traffic could also be speeded through incentives to bus operators to end one-man operation on city routes, action against skips in streets and illegal parking and greater flexibility for taxis.

Yet the achievement of road and rail systems adequate for the 21st century will cost money. The public will find it incomprehensible if the Government, currently awash with funds, fails to allocate sufficient resources to improvements for which the need is clear. To hold back in the hope of coaxing more from the private sector will be politically and economically counter-productive. What matters to the traveller is not who has paid for the road or railway he uses, but whether it is there at all, and works. This is an issue that the Government will neglect at its political peril.



FROM: A A DIGHT  
DATE: 18 April 1989

*Prop Transport*

*Maura: you wanted to see the attached*

MR N FORMAN MP

cc Chief Secretary

*→ TD  
Thanks  
pnp*

**TRANSPORT: A CASE FOR POSITIVE POLICIES**

The Chancellor has seen and noted your minute of 17 April.

*Anthony Dight*  
**ANTHONY DIGHT**



DEPARTMENT OF TRANSPORT  
 2 MARSHAM STREET LONDON SW1P 3EB  
 01 276 3000

My ref:

Your ref:

CH/EXCHEQUER	
REC.	2 MAY 1989
ACTION	Mr MORTIMER
COPIES TO	DMG
	Mr LANKESTER,
	Mr PHILLIPS,
	Mr R.I.G. ALLEN,
	Mr CASE,
	Mr HOUMANN,
	Mr TYRRE.

2/5

The Rt Hon Sir Geoffrey Howe MP  
 Secretary of State for Foreign  
 and Commonwealth Affairs  
 Foreign and Commonwealth Office  
 Downing Street  
 London SW1A 2AH

*Dear Geoffrey*

2 MAY 1989

**LORRY WEIGHTS**

I sought your and colleagues' support for my proposed handling of this issue when I wrote to you on 1st March. I was grateful for that support, and for the subsequent endorsement by the House of my intention not to allow the EC Council to impose a premature end-date on the UK's derogations from the EC's maximum laden and drive axle weights for heavy goods vehicles.

I am writing now to let you know the present position on the negotiations over the derogation end-date, and to seek your continuing support for the steps I propose to take up to and at the EC Transport Council on 5th and 6th June.

**THE MARCH COUNCIL**

The Spanish Presidency was very helpful at the March Transport Council and ensured that there was no substantive debate of the Commission's report on the UK derogations for 5 and 6 axled vehicles. On the proposals for 2, 3 and 4 axled vehicles, which also contained provision for UK derogations from the maximum drive axle weights, we had a measure of success. I emphasised the logical link between those derogations and the ones for 5 and 6 axled vehicles. I also reminded the Council that the Commission had reported on the circumstances justifying the 5 and 6 axle weight derogation; that this report had not yet been studied in depth, as was necessary; and that, therefore, the UK could not agree to what would be an arbitrary end-date if determined at the (March) Council. Some other Member States were keen to adopt an end-date earlier than the end-date of 1996 suggested by the Commission for all the derogations.

The outcome of the discussions, helped by Presidency goodwill and a softening of line from my French, German and Italian opposite numbers, was agreement to adopt the draft Directive on 2, 3 and 4 axled vehicles including a provision for a UK derogation from the

drive axle weight limit of 11.5 tonnes. On the contentious issue of time-limiting that derogation, I succeeded in putting off the decision until the June Council, and the Commission was required to put forward a further, and separate, proposal for adoption by the Council at that meeting. We have not yet received this proposal formally, but the Commission have announced that it will contain a proposed end-date of 31st December 1996. The decision will be by qualified majority.

#### THE JUNE COUNCIL

Although this was a satisfactory outcome, in practice it means that at the June Council I will have to settle a fixed end-date for the UK's derogations on 2, 3 and 4 axle vehicles, and also on 5 and 6 axle vehicles (as the Commission's report to which I refer above will also be on the agenda). Michael Portillo has had some useful discussions with the Spanish Presidency. He has told them that I am willing to consider an end-date this century, but that the Commission's proposal for 1996 is quite unacceptable. Despite pressure from the French and others for an end-date before 1996, the Presidency seem content to envisage a later end-date providing that we can square the French. I shall see M. Delebarre, the French Transport Minister, later this month and am having talks with other Community Ministers.

#### ACTION IN MAY

An Explanatory Memorandum addressing the Commission's proposal for an end-date for the derogations for the 2, 3 and 4 axle vehicles will go before the Parliamentary Scrutiny Committees in the next few days. The Commons at least are likely to seek a debate on it; but if not then we must arrange a debate anyway on the subject.

In any such debate, the question of voting procedure may be raised. It is arguable that, because of the way in which they were set up, unanimity is required to end our existing derogations on 5 and 6 axled vehicles. This is what the Council agreed at the time. However, when the decision to introduce a time-limit is taken the Council has to be satisfied that the conditions which might justify the application of unanimity will still apply as we proceed with the programme of bridge strengthening. If on an objective assessment the time limit proposed is sufficient to allow for the completion of the programme of bridge strengthening the Council could proceed by a qualified majority. The Law Officers' advice is therefore that while we may argue about legitimate expectations of a decision in unanimity, we would be unlikely to succeed in the European Court in challenging the Commission's proposal for a 1996 end-date. But the threat of legal action could be a useful if somewhat marginal negotiating lever. As I have already said, the decision on time-limiting our derogation for 2, 3 and 4 axled vehicles will be squarely settled by qualified majority.

I shall try to gain a degree of public acquiescence on the 40 tonne issue. The improvements in vehicle technology that have been made and should be widely implemented on heavier vehicles generally by 1998. Such improvements include the use of air suspensions, which, although initially more expensive than rigid steel suspensions, cause less damage both to roads and to the vehicles themselves. Such suspensions are already used in some

tractor vehicles; the Germans in particular have supported our attempts to allow certain of the higher weight limits only on condition that such suspensions were used.

It will be particularly important to sway public opinion about 40 tonne vehicles because the Spanish Presidency also told Michael Portillo that strong pressure domestically and from other Member States especially France would prevent them from postponing discussion at the June Council of the Commission's proposal to increase the maximum permitted vehicle length to 16.5m (although they will do what they can to ensure that no vote will be taken in June). This means that in the further debate in the House I shall not unfortunately be able to argue that bigger vehicles are not on the agenda - although I will make clear our opposition to them, and may be able to claim some temporary success in June in fending off a decision on them.

Ideas may surface at the Council for a further review of progress on our bridges programme with a view to adjusting any agreed end-date. I shall want to resist this added complication unless it appears at the final stage that this might clinch the issue on a date later than 1996. I would be extremely reluctant to accept 1996, but might have to do so rather than overplay the unanimity point in the negotiation. In accepting that early date I would obviously want to attract such other presentational advantages as I could obtain.

## DECISIONS

In these difficult circumstances, I would welcome colleagues' support for the proposal to aim at the June Transport Council to negotiate an end-date to the derogations for 2, 3 and 4 axled vehicles, as well as 5 and 6 axled vehicles, no earlier than 31st December 1998. I shall argue, when the Commission's proposal for an end-date is debated in Parliament, that 31st December 1996 is premature; that I am fighting hard for a later date; and that I hope to be successful in obtaining a later date.

I would also be grateful for your and colleagues' support in preparing the ground before the debate on the derogations. The House was not as hostile to 40 tonnes in the debate on 8th March as it has been in past years. We will need to build on that attitude, both to persuade MPs and the public that we are doing all we can to minimise the impact of the increase in permitted weights, and that, by the time the greater weights are permitted in the UK, the vehicles themselves will have been greatly improved. I will also want to maintain the UK's opposition to longer vehicles, and make clear that accepting heavier vehicles does not mean accepting larger vehicles. I will be able to point not only to the FTA's estimate of £200 million a year likely savings for the haulage industry, which I mentioned in the March debate but to a point John Banham made, following a CBI study, that a 10% increase in freight costs leads to approximately a 1% increase in average prices.

## PRACTICAL ISSUES

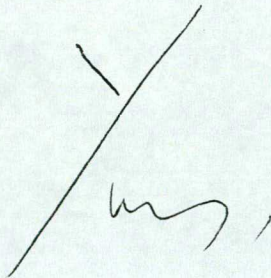
An end-date this century will require us to have substantially completed our programme of bridge assessment and strengthening. For that more resources will have to be provided. It will be essential to run the trunk and local road programmes as one if the highway network is not to be rendered unusable by weight restrictions and bridge closures for repair. To achieve this we shall need central control over what the local authorities do; a focussed grant, perhaps within TSG, or a statutory requirement, or both, may well be necessary.

The Republic of Ireland, which has the same vehicle weight derogations as the UK, has agreed an end-date of 1996 on the basis that the EC would provide a significant sum (the Irish have asked for 70%) towards these costs. For the UK Government this is a secondary issue. But it is one I shall have to be ready to deal with and a line is being discussed separately with the Treasury.

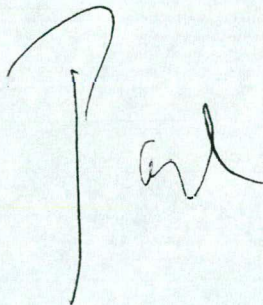
## EUROPEAN ELECTIONS

A further complication is that the June Council is awkwardly placed in regard to the European elections on June 15. There must be some risk of our opponents trying to stir up opposition to heavier lorries as an issue. Some of our own candidates are known to be keen to have an early date for harmonisation and may conceivably criticise us for too long a delay.

/ I am copying this letter to members of OD(E), John Wakeham, David Waddington, Peter Brooke and Sir Robin Butler.



PAUL CHANNON







DEPARTMENT OF TRANSPORT  
 2 MARSHAM STREET LONDON SW1P 3EB  
 01 276 3000

My ref:

Your ref:

MINISTER  
 FOR ROADS AND TRAFFIC  
 The Rt Hon John Major MP  
 Chief Secretary to the Treasury  
 HM Treasury  
 Parliament Street  
 LONDON  
 SW1P 3AG

CHIEF SECRETARY	
SECTION	- 21/05/1989
COPY TO	Mrs Flynn
	CX, Mr Anson
	Mr Monk, Mrs Coxe,
	Mrs Lomas, Mr Mortimer
	McCall

2

- 4 MAY 1989

Dear John

**MAJOR CAPITAL PROJECTS  
 M5 WIDENING - WARNDON TO STRENSHAM**

I am writing to inform you of the Department's proposals for widening the Warndon to Strensham section of the M5 motorway under the arrangement for major capital projects costing £25m or more.

This length is the last remaining section of the original 2 lane M5 between Birmingham and the Ross Spur (M50) to be widened. When completed, dual 3 lane motorway standards generally will exist on M5 and M6 between Exeter and Carlisle. The section is 13 miles long, including 3 grade separated junctions. The work is to be carried out using parallel widening techniques announced by the Secretary of State in October 1988. This method involves the construction of one half of a new 3 lane motorway clear of the traffic but immediately adjacent to the existing motorway. When traffic is transferred to the new carriageway a second new carriageway will be built on the site of the existing motorway. A location map and a copy of the Press Notice are attached.

The proposals were well received by the public and landowners and there is strong support from the emergency services and other local organisations.

Subject to the completion of statutory procedures, construction is programmed to start in early 1991 with completion 2½ years later.

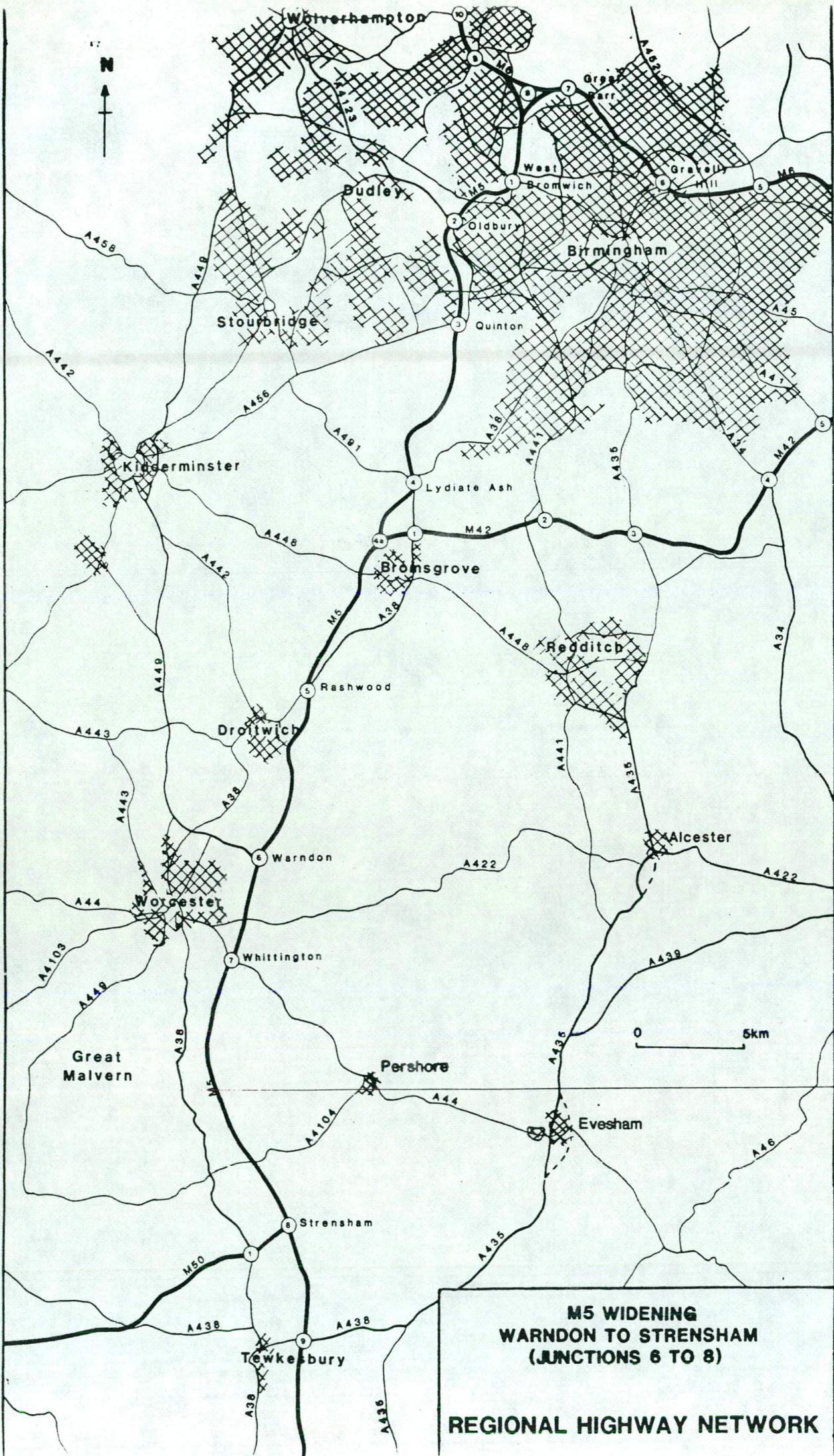
The estimated cost of the works and land is £90.326m (Q2 1989 prices).

NPV (Average 1988 prices and values)	Low	£6.706m
	High	£77.007m
	Weighted	£34.826m

Our target is to publish draft Orders in early June 1989. To achieve this it would be helpful to have a response by 15 May.

Yours ever  
 Peter

PETER BOTTOMLEY



**M5 WIDENING  
WARNDON TO STRENSHAM  
(JUNCTIONS 6 TO 8)**

**REGIONAL HIGHWAY NETWORK**

THE DEPARTMENT  
OF TRANSPORT

PRESS NOTICE NO: WM 359/88

DATE: 7 October 1988

"NO CONTRAFLOW" WIDENING ON M5 - PAUL CHANNON

Paul Channon, Secretary of State for Transport, today unveiled innovative plans for widening the final two lane section of the M5 motorway in Hereford and Worcester between Warndon (Junction 6) and Strensham (Junction 8).

The new approach will do away with the need for contraflow and provide benefits in terms of speed of construction, accident prevention and reduced traffic delays.

Called parallel widening, it involves the construction of three new lanes and a hardshoulder alongside one of the carriageways. While work is going on, traffic on the existing motorway will be generally unaffected.

When the new lanes and bridges are built, traffic will be transferred from one carriageway of the existing motorway onto the new length. The existing motorway will then be adapted to make three new lanes and a hardshoulder.

The result is no contraflow, a minimum two lane flow with hardshoulder in each direction throughout the works, and a central reserve between opposing flows of traffic at all times.

Speaking in Worcester today, Mr Channon said:

"This is an important new initiative; one which I am sure the travelling public will welcome. Because we must maintain our roads - and sometimes widen them - cones and contraflow arrangements are a burden we all have to share. Here we have the opportunity to try a different approach. It offers the major benefits of minimal disruption, greater safety and speed of construction. We have high hopes for its success.

"It is not the panacea for all motorway widening. This section of M5 is particularly suited to parallel widening. In other areas, proximity of property or other physical or engineering constraints may still point to the more usual approach as the most economic and viable solution.

"Nevertheless, it is a further option in the Department's continuing endeavours to provide direct, fast and safe roads to meet the needs of traffic into the next century."

#### NOTES TO EDITORS

The M5 motorway south from Birmingham is one of the country's oldest motorways. First opened in 1962, with dual two lane carriageways, it has progressively carried a growing volume of traffic and in 1978 a programme began to widen the whole route from Quinton to Strensham.

By the end of next year, when the M5/M42 Northern Turn and widening between Junction 4A and Junction 4 is completed, the 13 mile (21 kms) length between Junction 6 at Warndon and Junction 8 at Strensham will be the only remaining two lane section between Birmingham and Exeter.

The work has caused considerable disruption not only to motorway travellers, but also to those living along diversion routes. In conjunction with consultants Howard Humphreys and Partners, the Department has been looking for a new approach. This parallel widening proposal should overcome most of the problems experienced on earlier contracts.

For engineering reasons, the new carriageway will be built to the east of the existing motorway from Warndon to the Norton Viaduct. Just south of the viaduct, the new carriageway will be built on the west side as far as Strensham. The western side of the Strensham Service Area will require extensive reconstruction.

## EXHIBITION OF PROPOSALS

Exhibitions showing the proposals in detail have been arranged. These will be held at County Hall, Spetchley Road, Worcester on Tuesday 18 and Wednesday 19 October and at Strensham Village Hall, Strensham on Thursday 20 October. It is expected that the necessary statutory Orders will be published in early summer 1989. There will then be an opportunity for formal objection and if required a public inquiry will be held. Work could start in early 1991 and be finished in two and a half years.

From: Dilys Plant, Regional Information Officer (Midlands)

Tel: 021-631 4141 ext 2018

CONFIDENTIAL



Prime Minister

LORRY WEIGHTS

*anf*

CH/EXCHEQUER	
REC.	16 MAY 1989
ACTION	MR MURPHY
COPIES TO	PMG
	MR LAMSTER
	MR PHILLIPS
	MR RIG ALEN
	MRS CASP
	MR HOUWADU
	MR THRE

✓ 16/5

1. You will wish to know how I propose to handle the awkward question of heavy lorries at the Transport Council on 5 June.
2. The EC Commission has proposed that our derogations from the EC's maximum weights for heavy lorries - which were originally made open-ended (with an end-date to be decided later) to give us time to reinforce our roads and bridges - should end on 31 December 1996. Some Member States think this is too late. I think that it is too soon; we cannot complete our programme of strengthening our bridges before 1998 at the earliest.
3. In March, the House endorsed my view that the Council should not be allowed to impose a premature end to our derogations. If I am to avoid having an unfavourable decision finally forced upon me (for I am isolated on this issue), I do have to negotiate at the Council an end-date at some time, and other Member States have made it abundantly clear that it will have to be before the end of this century. At OD(E) colleagues agreed that I should negotiate for an end to all our derogations in 1999, although I may have to settle for an earlier date.
4. David Howell undertook to Parliament in 1982 that these heavy lorries would not be permitted until our roads were suitable and Parliament agreed. The debate in March, that we did have, did not attract much attention - perhaps because the economic reasons for change, already recognised by the industry, are increasingly being recognised by consumers. I have discussed with colleagues whether we should seek a further debate before the Council. We think this may not be needed, and that it might be better to keep the issue low key, particularly since the European Parliament elections will take place only 10 days after the Council.

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5. Naturally, I will keep the situation under review. If there is any significant demand for a further debate, we might need to arrange one at short notice.

6. In presenting the issues domestically (whether before or after the Council) I shall stress not only the financial benefits, but the environmental benefits that would flow from the introduction of better suspension systems and goods being carried in fewer, heavier (but not larger) lorries.

7. I am sending copies of this minute to Geoffrey Howe and other colleagues on OD(E), John Wakeham, David Waddington and Sir Robin Butler.

PC

PAUL CHANNON

16 May 1989

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10 DOWNING STREET  
LONDON SW1A 2AA

CH/ CHEQUER	
REC.	17 MAY 1989
ACTION	NW MORTIMER
COPIES TO	PMG MR LANKESTER, MR PHILLIPS, MR R.I.G. ALLEN, MR CASE, MR HOLMANN, MR TYRRE.

From the Private Secretary

17 May 1989

*Dear Roy,*

LORRY WEIGHTS

The Prime Minister has noted the Transport Secretary's minute of 16 May about the handling of the question of heavy lorries at the Transport Council on 5 June, and has not offered any comments.

I am copying this letter to Stephen Wall (Foreign and Commonwealth Office), the Private Secretaries to members of OD(E), Stephen Catling (Lord President's Office), Murdo Maclean (Chief Whip's Office) and Trevor Woolley (Cabinet Office).

*Yours sincerely,*  
*C. D. Powell*

C. D. Powell

Roy Griffins, Esq.,  
Department of Transport.

CONFIDENTIAL

*pmg*

*18/5*



CONFIDENTIAL

FROM: MRS JUDITH CHAPLIN

25th May 1989

x4359

CHIEF SECRETARY

cc Chancellor  
Mr Moore  
Mr Call

**TRANSPORT IN LONDON**

I have seen Paul Channon's paper on "Transport Planning in London", in which he suggests the possibility of the Department of Transport setting a new agency to control traffic and parking in London either under the DTp or independently. There seem to me to be two objections to this.

2. First, it seems a classic example of the theory that if your policy is not working you reorganise the administration rather than make the policy work. It is difficult to see the organisational gains, although the additional costs are clear. These would arise either from the 'in-house unit' or from the independent body - a perfect lobby group for additional funds.

3. The major investment decisions on, for example, the underground or strategic roads would still have to be taken by the DTp so that they would have to have the back-up staff to check the decisions of the new body. Surely they should already, when considering such decisions, be undertaking the co-ordination role? The DTp already have control over many areas that would be covered by any new agency - would they give them up and thereby reduce their own staff or would they duplicate the work? Certainly a new body would duplicate much of the police work whose responsibilities for traffic management could not be completely handed over.

4. Reading the paper it is difficult to see what further co-ordination could be achieved through a new body which could not be achieved through the existing systems, and the major point which stands out clearly is that what is needed is better enforcement. A new body is not going to solve the problem of 350,000 parking infringements every day in central London whereas tougher enforcement and higher penalties might.

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5. Secondly, there would be a major political row over the removal of more responsibilities from London boroughs to a central unit. The DTp already has substantial central powers over the boroughs' actions and because these are mainly strategic no-one argues against that. The Metropolitan Police control of traffic management is obviously reasonable, but to set up another agency would be controversial. There are rows enough when, for example, a street is made one way without that decision being taken centrally and by an unelected authority. Not all London boroughs are 'loony left' and even those which are usually endeavour to keep the traffic moving in their boroughs as competently as possible.

6. We probably only need a couple more agencies and the GLC will have been totally replicated!

East London Rail Study

7. On another issue, I am as heretical as Mark on the Treasury line over the East London Rail Study. What is vital is to keep as many people who work in Docklands and who will be coming from the South and the East, out of the middle of the central London areas altogether. The exact way this is done is obviously open to question, but the benefit of doing it is not just a benefit to Olympia & York.

Jc  
JUDITH CHAPLIN



FROM: J M G TAYLOR

DATE: 31 May 1989

PS/CHIEF SECRETARY

cc Mr D J L Moore  
Mrs Chaplin  
Mr Call

A handwritten signature in black ink, appearing to be "P.H.F." or similar.

**TRANSPORT IN LONDON**

The Chancellor has seen Mrs Chaplin's note of 25 May. He agrees with Mrs Chaplin's conclusions.

Handwritten initials in black ink, possibly "JMG".

J M G TAYLOR