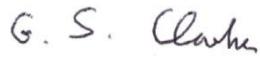


ORR Freight Customer Survey 2012

Final Report



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1 Introduction

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1 Introduction

1.1 Background

This report presents the findings of a survey of existing and potential rail freight customers carried out by AECOM on behalf of the Office of Rail Regulation (ORR).

The survey was conducted with the cooperation of many organisations associated with the rail freight sector providing ORR with information about current levels of customer satisfaction with rail freight and providing a snap shot of the market, whilst exploring the extent to which British industry is meeting customer requirements. The benchmarks were set out in the 2010 survey and the latest findings allow us to build on and compare with previous results. These benchmarks allow the ORR to measure satisfaction in light of developments in rail freight, to enable it to assess the extent to which its own policies continue to be relevant to those developments and to help it understand how its regulatory policies and decisions are impacting on the end-user.

This is the fourth such survey. The results of the three previous surveys were published in 2000, 2003 and 2010. The actual survey reported in 2010 was conducted in late 2009. Where appropriate we have compared findings from the current survey with earlier surveys.

Although the sample is relatively small in terms of the total number of companies taking part, it does contain a substantial proportion of freight lifted in the UK, representing over a third of the volume of rail freight lifted, and is therefore a good and representative sample of current users. It also provides a good cross-section of commodities lifted. Further information on the profile of companies taking part in the survey is shown in Chapter 2.

It is anticipated that a further freight customer survey will be carried out near the end of ORR's current corporate strategy (2009-14).

1.2 Key Findings from 2012 Survey

This section provides a summary of some of the key findings from the survey:

- **Use of modes** – 62% of respondents to the survey indicated that their main mode of transport was road whereas rail was the main mode for 33%. The use of rail and sea freight including coastal shipping and deep-sea services have increased significantly over the last three years by just over a third whereas road has only seen a slight net increase (6%) and air freight has reduced (9%). Like in the last survey the economic climate has depressed the freight market generally, but it appears from respondents that rail has been less affected than road and air. With evidence of increased efficiency in the rail freight sector 68% stated that rail can be competitive at distances less than 150 miles.
- **Barriers to using rail (Domestic)** – The most cited barriers by respondents to using rail for domestic movements are cost/price (77%), flexible service/recovery strategy (54%), access to the terminals(48%), and rail network(46%). There is a general consensus about these barriers across the different market segments responding. Cost was by far the top rated barrier as in the 2010 survey and if anything it is even more significant this time. This is perhaps not surprising in the light of the continuing squeeze on financial margins. Table 4.2 of this report details the findings on barriers and the understanding of these factors often depends on whether the respondent is a rail user or not. A noticeable variance is the factor relating to access to the mainline network where only 40% of rail users see this as a barrier compared to 73% of non-users. This needs further investigation to establish if there is a real physical barrier on certain routes or whether it is a perceived barrier. Non-users also see service lead times, journey times and punctuality as being much higher barriers than actual rail users. This

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suggests there is a positive marketing role for the rail freight sector to emphasise improving train performance.

- **Barriers to using rail (European)** – The most cited barrier to using rail or indeed more rail if an existing customer for European movements is again cost/price (72%). The whole issue of pricing business through the Channel Tunnel is clearly reflected in views obtained by this survey. Secondary factors highlighted by non-users are the difficulty of accessing the rail network for international freight trains, the lack of consistent gauge, the location and lack of information on international freight terminals and lack of coordination between countries.
- **Price Sensitivity** – Following from the point above about pricing, the market is susceptible to small changes in rail prices. It was established that if say road freight prices increased by 10% then 35% of respondents said they would use more rail. But if the net price of rail increases by 10% then 69% said they would reduce rail usage.
- **Future Use of Rail** – There is some positive news for rail freight operators as respondents said that even with no increase in the rail service offer, rail users expect their use of rail to rise by 44% in 6-10 years. If the rail service is improved to meet all key requirements this rises to 49% in 6 to 10 years, and this compares to 45% in the 2010 survey.
- **Service Attributes Importance and Performance** - It is variances between expectation and performance delivery that marks attributes out as key areas for service improvements. When asked to rate different service quality attributes in terms of importance and performance overall, price was identified as the most important factor, followed by on time/punctual deliveries and access to the mainline network. However, although these attributes are seen by customers as the three most important, they rank relatively low in the list by performance 13th, 4th and 9th respectively.
- **Satisfaction with industry** - Respondents were asked to indicate the level of contact they have had with the wider freight industry and their level of satisfaction with them. Generally, there was a high level of satisfaction (72% being either very satisfied or quite satisfied) with their rail freight operators but interestingly an even higher level of satisfaction with their road freight operators (83%). These levels are very similar to the previous survey but what has improved is the level of satisfaction with port operators up to 72% satisfied.
- **Satisfaction with ORR** - The level of respondents having regular contact with ORR was relatively low 13% down from 23% last time. Only 26% of the survey respondents were either very satisfied or quite satisfied with ORR's performance, down from 46% last time, with a further 61% neither satisfied nor dissatisfied (48% last time). There was some evidence that the freight sectors most likely to be affected by the proposed changes in the freight charging system were more negative towards the ORR.
- **Knowledge of ORR Activity** - With regard to things that ORR is doing, eight work areas were mentioned and respondents were asked to state how aware they were of this activity. ORR's role in reviewing Network Rail's revenue requirements, outputs and expenditure was the most widely known work whereas other projects such as measuring disruption to freight caused by engineering work was least known. The ORR website came in for a set of mixed views, with some finding it reasonably navigable but others found it quite difficult and although it contained a section for passengers lacked an equivalent for freight.
- **Competition and Engagement** - One of the duties of the ORR is to promote competition in the provision of railway services. 92% think it is very or fairly important to have a choice of rail freight providers (up from 83% in 2010) and this was the highest ranked answer in the whole survey. A final comment which was reported by 64% is the need for the ORR to be more customer-facing and directly engage with a panel of end users of rail freight.

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1.3 Methodology

1.3.1 Questionnaire Development

The questionnaire was developed from discussions with ORR and AECOM's study team. The questionnaire was based on the last freight survey, suitably updated. It was piloted internally within ORR and AECOM's study team and externally with key industry representatives. The questionnaire was converted to a web survey using the software package SNAP and took approximately 15-20 minutes to complete. We were mindful that the questionnaire used in the 2010 survey was on the long side so we reduced the content as much as possible while maintaining consistency with the previous survey. We produced a much shortened version for non users.

The questionnaire contained seven sections:

- **A - Introduction** - This section was completed by everyone and included contact details, type of industry/commodity, modes of transport used, freight volumes and/or number of containers lifted by mode, how often freight strategies are reviewed and a statement about whether the company cares about the choice of mode used.

After this the respondent was routed depending on whether they were a rail user or not

- **B - Current Rail Users** - Companies were asked whether they take responsibility for choice of mode, change in use of modes over the last 3 years, percentage lifted by road and rail by distance, perception of rail competitiveness by distance. This section also examined trends and influencing factors affecting domestic freight including barriers to use of rail and responsiveness to changing prices of rail and road. The respondents were asked what percentage change in use of rail would happen in the years to come if the rail service stayed the same as now and if it changed significantly to meet all the key requirements.
- **C - International freight** - This section was completed by those moving international freight to/from Europe, investigating barriers to using rail and this was further examined by asking which are the most important factors.
- **D - Industry Performance** - This series of questions asked for the importance and performance of different factors in the use of rail freight, perceived service gaps, and contact and satisfaction with freight industry organisations.
- **E - ORR's Role and Performance** - This section considered levels of contact with ORR, awareness of ORR's work, attitudes towards ORR and use of ORR's website.
- **F - Non Rail Users** - This part investigated both potential domestic and international traffic. On domestic freight we examined barriers, responsiveness to changing price of road, importance and performance of different factors in the use of freight modes and for international freight we considered modes used, barriers and their importance.
- **G - Confidentiality disclosure information**

A full copy of the questionnaire is contained in Appendix A.

1.3.2 Survey Approach Including Engagement Strategy

The Engagement Strategy was to publicise the survey as widely as possible. The launch of the survey was made by the ORR at the Multimodal Show on May 2nd at the NEC. Further mention of the survey was made by the ORR at the Annual Railfreight Group Conference in London in late May. The ORR Communications department included reference to the survey in their industry facing publication the ORR Bulletin sent out to stakeholders in May. The ORR Bulletin is a bi-monthly publication which highlights issues of importance across the rail industry. The

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Bulletin gives industry members sight of the work ORR is doing, including working with industry partners to deliver benefits for customers and taxpayers.

A database of potential contacts was drawn up from known freight users and non users using sources such as ORR, Rail Freight Group (RFG), the Freight Transport Association and other AECOM freight industry contacts. We also engaged with additional organisations this time to help disseminate knowledge of the survey including for example Network Rail, Freight Operating Companies, British International Freight Association (BIFA), Confederation of British Industry (CBI), Chartered Institute of Logistics and Transport (CILT) and Food Storage and Distribution Federation (FSDF).

AECOM worked with the trade press in communicating details about the survey including Railway Gazette, Railway Business Intelligence, Modern Railways, CILT Focus, CILT Current Awareness Bulletin, RFG Newsletter, Today's Railways, Lloyds Loading List incorporating International Freight Weekly and World Cargo News.

For the organisations where we did not have an e-mail address we made phone contact with a key person in the organisation who made decisions about choice of mode for freight movements. Respondents were told about the survey and asked for their email address so that the web survey link could be sent to them. They were also informed that £5 would be donated to the Railway Children charity for every survey completed. Potential respondents were then sent the web survey link. On completion of the survey the information was emailed directly to AECOM for analysis. The survey took place between 23rd May and 27th July 2012.

One of the concerns from last time was that the deep-sea shipping lines/intermodal operators were not as involved as some might have liked. The study team have involved the Freight Operating Companies (FOCs) with this study and we are grateful to them for help with liaison with end users and we have more respondents from these sectors this time.

Despite our efforts to engage with the industry, the early response to the survey was lower than expected and consequently we used phone contact to boost the survey; most of those contacted by phone still preferred to complete the survey online.

We significantly increased our database this time and sent out emails to 423 contacts and up to 5 e-mail reminders went out during the survey period. We followed up 67 contacts with telephone calls and the total number of responses was 61 (20% up from 2010's total of 51) but the response rate was 14% (down from 32% in 2010) which is deemed to be reasonable for an electronic survey with mainly e-mail contact. The reasons why the response rate was lower than last time are uncertain. However one reason might be the fact that the previous survey was conducted alongside the Value of Time project which included face-to-face meetings with over 30 rail customers and many of these agreed personally to do the customer survey as well. Another factor could be that due to there being a separate ORR consultation running concurrently, this time on freight charges which ended on August 10th; this could have meant that customers chose to do one or the other survey but not both, although we have no specific evidence to back this up.

1.4 Structure of Report

Following this introduction, the sample profile is outlined in Chapter 2. The results of the survey are contained in Chapters 3 to 8 and our conclusions are outlined in Chapter 9. The questionnaire is contained in Appendix A.

2 Sample Profile

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2 Sample Profile

This chapter outlines the profile of companies that took part in the survey. This includes respondent type; that is whether they are a producer, logistics company, port or terminal operator or shipping line and whether or not they currently use rail. The type of industry in which the company is involved, and hence which types of products are lifted, is also outlined.

Given the total number of respondents that took part in the survey, the potential to segment the sample into sub groups is limited. This is discussed further below.

Note about multiple response questions

Some questions in the survey allowed respondents to give more than one response, for example they may have been asked to 'tick all that apply'. These questions are called multiple response questions and for these questions the percentages will sum to more than 100%. Multiple response questions have multiple response in the title.

Table 2.1 shows the sample split by type of user and Table 2.2 shows whether they are a rail user or not. 18% of respondents were not current rail users although some had been in the past.

2.1 User Type

Table 2.1 Are you? (QA2)

	Frequency	%
Producer/receiver of goods/services	25	41
Logistics company	16	25
Port operator	7	12
Terminal operator	7	12
Shipping Lines	6	10
Base	61	100

Table 2.2 Are You A Rail User (QA8)

	Percent
Yes	82
No but I have in the past	10
No never	8
Total	100
Base	61

Table 2.3 shows the type of industries covered by the sample. Respondents could give more than one answer which is why percentages sum to over 100. This shows that a good cross section of industries are represented in the survey.

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Table 2.3 What Industry/Industries would you describe yourself as being in? (QA3) Multi-response

Company Industry	(%)
Intermodal via deep sea container	30
Aggregates	23
Construction	20
Retail - non food	18
Manufacturing	18
Coal	16
Metals	16
Retail - food	15
Biomass	15
Minerals	13
Forest products/ timber	13
Domestic intermodal	13
Industrial minerals	11
Intermodal via Channel Tunnel	11
Scrap metals	10
Automotive - cars	10
Petroleum	8
Chemicals	8
Domestic waste	8
Automotive - parts	8
Domestic Swapbody	8
Electricity (coal powered)	8
Other	5
Electricity (nuclear powered)	2
Base	61

The results have been broken down based on the following types of respondent, to illustrate how these may differ, although results are not significantly different:

- Use Rail - Users and Non Users. This breakdown is dominated by users, see Figure 2.1; and
- User Type – Goods Producer, Logistics Company, and Port/ Rail terminal operator. see Figure 2.2.
- Product Type – Bulk, Non Bulk and Both, see Figure 2.3.

Segmentation Referencing

In this report we have reported verbatim comments from the open ended comment questions and we have identified the respondent by segment. These segments are based on:

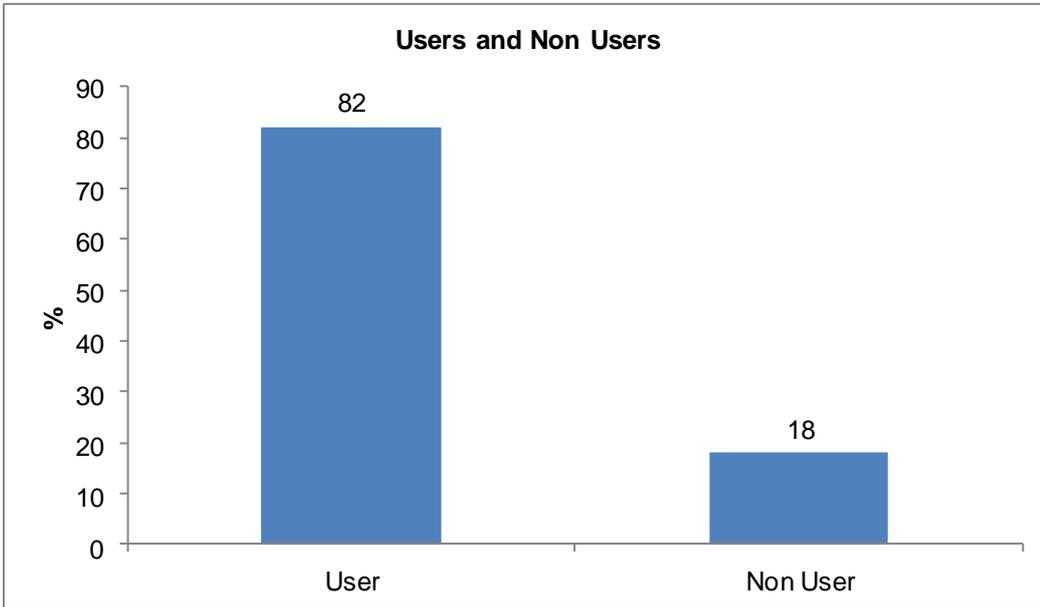
- *Rail User - User/Non User
- *Type of Company - ProdRecevrGoods/LogisticsCo/PortTerminal
- *Type of Product - Bulk/Non Bulk/Both

For example User_PortTerminal_Bulk means the respondent is a rail user, a port terminal provider handling bulk goods

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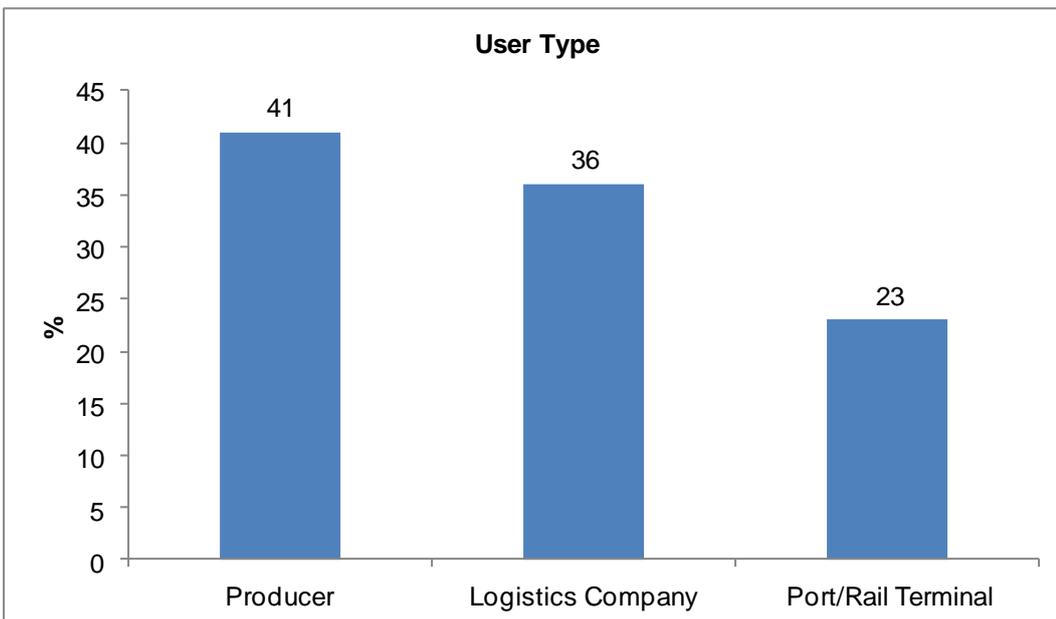
2.2 Sample Segmentation

Figure 2.1 User/Non User (%)



Base =61

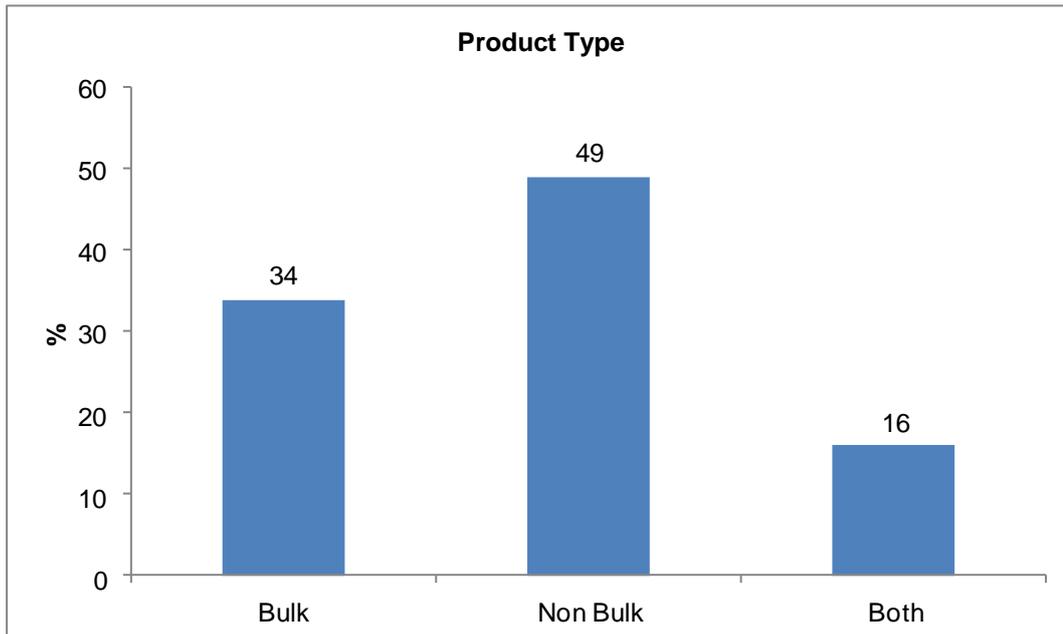
Figure 2.2 User Type (%)



Base =61

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Figure 2.3 Product Type (%)



Base =61

The key market segments in this survey are similar to the 2010 survey.

Table 2.4 summarises the volumes by mode used and units measured. According to this evidence, our sample represents an overall 241 million tonnes and 6 million containers. This represents a substantial proportion of freight lifted in Great Britain. This is broken down into 188 million tonnes (up from 100 million tonnes 2010) and 4.8 million containers (up from 1.8 million 2010) containers lifted by road, 47 million (down from 56 million 2010) tonnes and 1.1 million containers (up from half a million containers in 2010) lifted by rail. The volumes by waterway are down compared with the 2010 survey.

Table 2.4 Annual Freight Lifted by Mode and Units of Measurement (QA5)

Mode	Units	Total
Road	Tonnes	188 million
Road	Containers	4.8 million
Rail	Tonnes	47million
Rail	Containers	1.1 million
Air	Tonnes	132,000
Air	Containers	3,500
Waterways	Tonnes	1.1 million
Waterways	Containers	1,000
Coastal Shipping	Tonnes	4.1 million
Coastal Shipping	Containers	170,000
Pipeline	Tonnes	1.1 million
Total	Tonnes	241 million
Total	Containers	6 million

It should be noted that because ports, terminals, operators and shippers have provided responses there is a risk that some double counting has occurred in the analysis above. To

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investigate the full coverage of the survey some further analysis of the volumes moved by rail is provided in Table 2.5 below. This has removed the double counting element.

Table 2.5 Rail Commodities: comparison between survey and actual figures, ORR 2011 figures for Goods Lifted.

Commodity	Thousand Tonnes		% Market Coverage
	Survey	ORR (2011)	
Coal	15,350	44,400	35%
Other	20,496	57,300	36%
Total	35,846	101,700	35%

Figures released by the ORR show that coal lifted was 44.4 million tonnes in 2011-12 and the total freight tonnes lifted was 101.7 million tonnes. The survey reached approximately 35% of the total rail freight market.

It is calculated that companies associated with the movement of 610,976 of the estimated 900,000 (*Source: Rfg handbook 2011*) domestic intermodal containers per year were captured by the survey. This includes goods for the retail sectors and other containerised goods. This indicates that the survey reached two thirds of the intermodal market. The survey did not specifically ask questions about current and future demand for wagonload freight so we have no evidence of this market which has been in decline in many parts of Europe.

In addition, our sample provides a good cross-section of commodities lifted. Table 2.6 summarises the commodities lifted by each mode.

Table 2.6 Main Commodities Lifted by Mode (QA5)

Road	Rail	Air	Waterways	Pipeline	Coastal Shipping
Steel	Aggregates	Retail Goods	Aggregates	Fuel	Containers
Aggregates	Coal		Bulk Wine		Aggregates
Containers	Containers		Foodstuffs		Cement
Retail Goods	Steel		Retail Goods		Coal/Steel
Coal	Cars		Steel		Retail Goods

This therefore shows that, although the size of our sample is relatively small in terms of the total number of companies involved, it represents a significant proportion by volume of freight lifted in Great Britain and a good cross section of the freight industry by commodities lifted. The next sections contain the results from the survey.

3 Transport Modes Used

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3 Transport Modes Used

3.1 Transport Mode Used

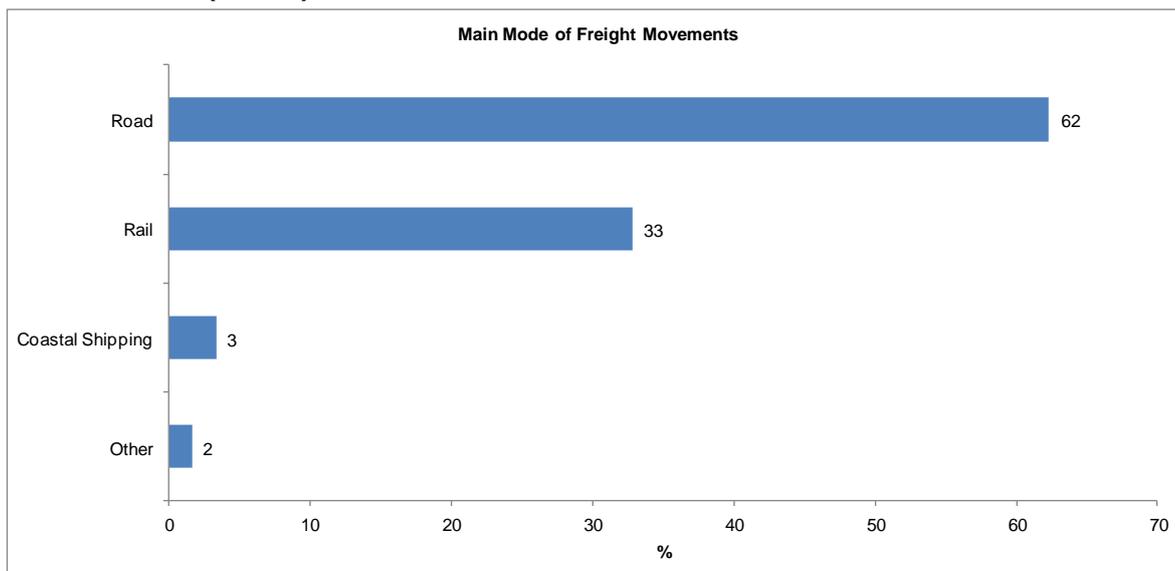
Table 3.1 shows that the modes used by those who responded to the survey were mainly road (87%) and rail (82%). Respondents were able to list all modes used (a multi-response question) which is why percentages sum to over 100. 44% used coastal shipping, 10% used waterways, 3% used air and 3% used pipeline. These are comparable with the 2010 survey. Companies may use more than one mode, which is why the percentages total more than 100%.

Table 3.1 Which of the Following Modes of Transport do you use for your Freight Movements in the UK? (Qa4a) Multiresponse

	%
Road	87
Rail	82
Waterways	10
Coastal shipping	44
Pipeline	3
Air	3
Other	5
Base	61

When asked about their main mode, Figure 3.1 shows that 62% of respondents use road and just over 33% use rail as their main mode of transport. This is very similar to what was found in the 2010 survey. The figure in brackets is the question number on the survey sheet.

Figure 3.1 Which of the Following Modes of Transport is your Main Mode for your Freight Movements? (QA4b)



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Figure 3.2 below shows that three quarters (76%) of companies take full responsibility for the choice of transport mode used. A relatively small proportion (10% and 8%), take either some or no responsibility, respectively.

Figure 3.2 Does your Company take Responsibility for Selecting the Type of Transport Mode that you use? (QA4b)

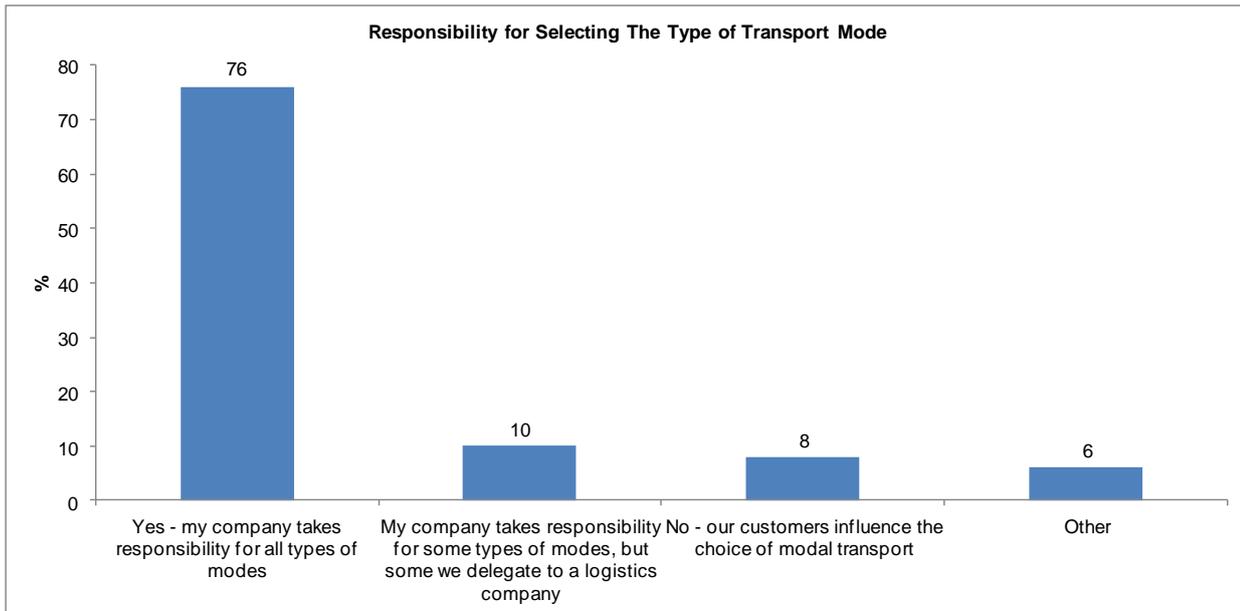
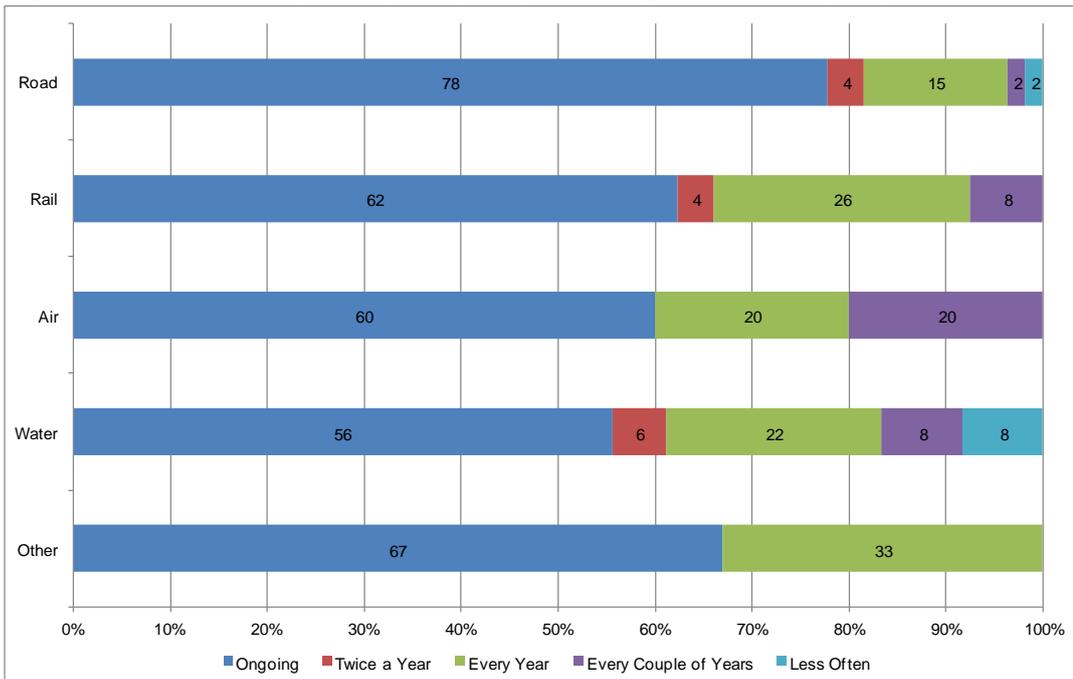


Figure 3.3 shows the frequency that respondents' freight/logistics strategy is reviewed in relation to different modes. This shows that it is reviewed on an ongoing basis by 78% (75% in 2010) for road, by 62% (72% in 2010) for rail, 60% (67% in 2010) for air and 56% (70% in 2010) for water.

Figure 3.3 How Frequently do you/your Logistics Company Review Your Freight (QA6a)



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In response to QA6b (**How frequently do you/your logistics company review your freight transport provision/logistics strategy? Please explain why**). Many companies review their supply chain on an ongoing basis looking for low prices and a good service. The majority of the respondents were concerned with minimising their costs, being efficient and therefore competitive. It seems that price is even more important in this competitive trading environment and a customer may switch shipping line for just £10 per unit on the inland journey.

The following quotations illustrate some of the findings.

Cost is a big driver, we are continually looking at how we can move coal tonnages from multiple supply points to the Power Station on time and at least cost whilst taking into account factors like rail network restrictions.

(User_ProdRecvrGoods_Bulk)

We review all cargos every year at budget time. The logistics for our coal cargo to rail is not organised by the Port but by the product supplier/end user. We also have a freight forwarding company who manage much of our daily road transport from the Port. (User_PortTerminal_Bulk)

Our success as a business partly depends on our ability and willingness to seek continuous improvement for our customers. We constantly review our services to grow our business and ensure we are sustainable. (User_LogisticsCo_Non Bulk)

As a management company we constantly review the best method of operation and low carbon opportunities. (User_LogisticsCo_Non Bulk)

Our end user customer will nowadays change shipping line for GBP 10 per unit moved even though the cost of transportation is often a small % of the total value. A decade ago many deep sea shipping lines still considered that the ocean freight was sufficient to offset inland costs to a certain extent. Nowadays every move is scrutinised to see whether the cargo is worth participating in at the rate the customer is willing to pay. Overall deep sea shipping lines may each be losing many millions a year in the hope of improving times in the future. It is a burden that allows for no compromise in lowest cost pricing to survive in such a competitive market.
(User_LogisticsCo_Non Bulk)

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Table 3.2 shows that 54% agreed with the statement implying that the mode used is not important and 43% disagreed.

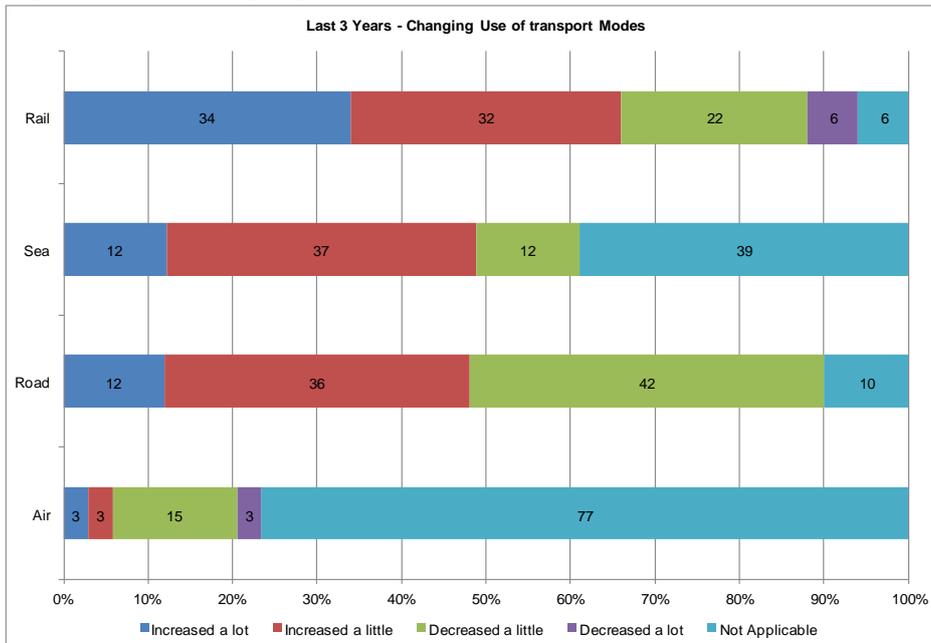
Table 3.2 I don't really care which mode is used as long as goods arrive on time, undamaged, at a competitive price (QA7)

	%
Agree strongly	15
Agree	39
Disagree	34
Disagree Strongly	8
Don't Know	3
Base	61

Figure 3.4 (below) shows how respondents' use of different transport modes has changed over the last three years since the last survey was carried out. We have summarised the results by showing how the use of the various modes has changed at the side of the table: the total that each has increased, the total that has decreased and the net change. This shows that rail and sea have had a sizable increase, road a slight increase and air a reduction. These results are comparable with the last 5 years in the 2010 survey although the growth in road is much lower now. As can be seen rail has increased in 68% of companies but reduced in 28% giving a net 38% increase over the last three years.

Figure 3.4 Changing use of Modes over the Last Three Years. (QB2a)

Summary



Road	↑ 48	↓ 42	↑ 6
Rail	↑ 66	↓ 28	↑ 38
Air	↑ 6	↓ 15	↓ 9
Sea	↑ 49	↓ 12	↑ 37

QB2b Please give the key reasons behind any increases / decreases in the use of modes?

Respondents were asked to give reasons underlying changes in the use of modes. From the responses it shows that there is a significant number of existing rail customers growing their volumes and three new to sending rail consignments. Increases in rail demand were due to

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increased requirements for products such as coal, packaged cement and bulk fly-ash, increased production of cars and new store developments meaning more domestic intermodal volume. It was not all positive and the ongoing effects of the recession were affecting some respondents which mean a decrease in the use of rail. However rail has not been as badly affected by the recession as parts of the road haulage business.

The physical rail network and access to it does have a bearing on actual volumes. Recent positive developments such as gauge clearance for example on the route from Southampton to West Midlands are bringing extra business to rail in the same way as it did when the route from Felixstowe to West Coast Mainlines destination did following 2004 enhancements. Assuming the planned electrification projects recently announced such as London to South Wales and the Midlands Mainline also deliver gauge clearance this positive trend is likely to continue. But lack of capacity on the network is limiting further expansion for a couple of customers.

The following quotations illustrate some of these findings.

Shift of Modality due to 'Gauge Clearance' at Southampton (User_LogisticsCo_Non Bulk)

Despite recession there has been a small increase in the move to rail & this has associated road movements for collections & final deliveries (User_PortTerminal_Non Bulk)

For Rail it is the increased production of the UK car factories and the emphasis on export markets. This is true to a lesser extent for road. (User_LogisticsCo_Non Bulk)

Year on year as a line our volumes have increased so naturally we have seen an increase on all modes of transport. For contract rail we are responsible for the 100% of the available space on a daily round trip service five times per week. This commitment is a high risk if it is not used properly however we are pleased to say that we are running some of the best utilised trains in and out of the port of Felixstowe.(User_LogisticsCo_Non Bulk)

Economic climate and competition from other rail operators. (User_LogisticsCo_Both)

We cannot move all of the coal we need to move on rail. We have had to use road to supplement rail deliveries.(User_ProdRecvrGoods_Bulk)

As we become more astute in ensuring lowest cost movements we have moved away from the easiest option to the more cost effective. For rail therefore we find that the radius from the railhead that can compete with an all road move is decreasing. Additionally a significant proportion of our costs involves moving empty containers surplus to requirement and these can often move more quickly as a round trip movement by road. This reduces our down time for the asset cost the container fleet represents. (User_LogisticsCo_Non Bulk)

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3.2 Freight Lifted Over Different Distances - Rail v Road

Table 3.4 shows the percentage of freight lifted by road and rail for different distance bands, for the sample overall.

This shows that rail is used proportionately more for longer distances, particular those over 150 miles.

Table 3.4 Distance carried by road rail (QB3)

Mode	<50miles %	50-150miles %	>150miles %	Total
Road	43	40	17	100
Rail	9	28	63	100

3.3 Competitiveness of Rail by Distance

Table 3.5 shows the distance at which rail was perceived to be competitive in relation to other modes. Three quarters thought rail becomes competitive in the 51-200 mile distance range. This indicates that rail can be competitive over shorter distances than traditional wisdom thought.

The distance at which rail becomes competitive is influenced by a range of factors including type of product lifted, the quantity being lifted, and the proximity of rail terminal facilities. If a terminal is local or actually connected directly to a customer then rail becomes competitive sooner. Bulk products tend to become competitive at shorter distances than intermodal but if rail wagons and terminals are used intensively, then non-bulk can be economic over relatively short distances. As a consequence, the distance at which rail becomes competitive may vary according to a number of factors.

Table 3.5 At What Mileage do you Think Does Rail Become Competitive – Distance (QB4a)

Distance	%
0-25 miles	2
26-50 miles	13
51-100 miles	23
101-150 miles	29
151-200 miles	21
201-250 miles	6
>251 miles	6
Base	48

Capabilities on project:
Transportation

QB4b (At what mileage do you think rail freight starts to be competitive (against other modes). Please explain why.)

With increased efficiency in the rail freight sector 68% stated that rail can be competitive at distances less than 150 miles. The perceived wisdom is that road freight is generally cheaper over short distances, however the distance at which rail becomes competitive is influenced by a range of factors and the following were discussed in the survey, such as the type of product being lifted, volume of the product, geography, road congestion, arrangements with a Freight Operating Companies (FOCs), location of rail terminal(s) and efficiency of train operation loading and unloading. It seems that bulk products are more competitive at shorter distances and examples given in response to the survey include; coal over 3miles, aggregates over 30miles, intermodal over 50miles and automotive at around 70miles. Non bulk can be economic over relatively short distances if rail wagons and terminals are used intensively. Furthermore intermodal can compete with road if handling can be done efficiently and the local delivery fleet can be used intensively so as to keep the road leg costs competitively low. An utilisation of an average of 2.3 deliveries per vehicle, per day is reported as being competitive.

The following quotations from respondents illustrate more of the reasoning.

This is the perceived wisdom, BUT IS GENERALLY WRONG! There is no distance which makes rail more competitive. I have drawn up a business case showing that rail is more competitive at as little as 3 miles, but this is dependent on geography and commercial arrangements with F.O.C.s. As a general rule in a rail solution once road distance starts to increase above 10% of the total door to door distance, the case for rail starts to diminish. (User_LogisticsCo_Both)

Anything from Birmingham is competitive via rail provided you can achieve an average of 2.3 deliveries per vehicle per day. (User_LogisticsCo_Non Bulk)

There is a lack of rail linked destinations within the UK, rail only comes into competitive reason when loading can be levered to overcome restrictions on road in countries such as France, and delivery lead times are not such an issue. (User_ProdRecvrGoods_Non Bulk)

Depends on commodity being transported and the volumes involved. For example, a container can be efficiently carried by a single lorry whereas coal used for electricity generation is required in such high volumes that rail is a more cost effective mode due to the volumes that can be transported by a single train load. (User_LogisticsCo_Both)

Below 50 miles the added cost of loading/unloading can make the total rail transport cost uneconomic particularly if in our industry the factory does not have a railhead as part of its infrastructure. In special cases it may be feasible to move product by rail if eg it avoids using the M25. (User_LogisticsCo_Non Bulk)

When taking into consideration handling at both ends and a road leg to final destination, rail lends itself to distance every time. In order to make shorter distance work from an intermodal point of view you would need greater flexibility and multiple round trips in one day to even consider changing from road. (User_LogisticsCo_Non Bulk)

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We have two current trains that are viable at distances of around 70miles, the key thing is the scale, you need the biggest train possible. Both the trains in question are around 660m long and can carry 320 cars each. (User_LogisticsCo_Non Bulk)

The higher the mileage the more cost benefits the customer to rail Vs road haul direct. Also delays ex the dock direct are minimised ensuring the customer has local stockpile to choose from and amend at short notice as their business needs require. (User_LogisticsCo_Non Bulk)

4 Main Barriers to switching to Rail – Domestic/European

Capabilities on project:
Transportation

4 Main Barriers to Switching to Rail – Domestic/European

4.1 Domestic

Table 4.1 shows the main barriers to using rail for domestic movements. The most cited barriers overall are cost/price and flexible service/recovery strategy, access to the terminals and main rail network. There is a general consensus about these barriers across the different market segments, see Table 4.2 and Table 4.3. Cost was by far the top rated barrier. Again, this is similar to the 2010 survey.

Table 4.1 Main Barriers to Using Rail for Domestic Movements (QB5a) Multiresponse

	%
Cost/price	80
Flexible service/recovery strategy	56
Access to terminals	49
Access to mainline network	47
Service quality - lead times	36
Location of logistics hubs	29
Service quality - on time/punctual delivery	27
Overall service quality	24
Physical nature of goods	24
Service quality - journey time	20
Information/responsiveness to customer needs	19
Rail freight experience/past track record	17
Equipment quality	10
Security of goods in transit	8
Track and trace	8
Environmental considerations	5
Base	59

A noticeable variance in Table 4.2 is the large difference between users (40%) and non-users (73%) in the access to mainline network factor. This needs further investigation to establish if there is a real physical barrier on certain routes or whether it is a perceived barrier. Non-users also see service lead times, journey times and punctuality as being much higher barriers than actual rail users. This suggests there is a positive marketing role for the rail freight sector to emphasise improving train performance. At least one FOC has advertised its reliability and punctuality in the last couple of years but perhaps this level of improved performance is not appreciated by non-users.

Capabilities on project:
Transportation

**Table 4.2 Main Barriers to Using Rail for Domestic Movements (QB5a)
By Segment**

	Overall	User	Non User	Bulk	Non Bulk	Both	Producer	LogisticsCo	Port_Terminal
	%	%	%	%	%	%	%	%	%
Access to mainline network	46	40	73	52	40	50	48	41	50
Access to terminals	48	50	36	52	47	40	52	50	36
Cost/price	77	78	73	62	87	80	72	86	71
Environmental considerations	5	6	0	10	3	0	4	5	7
Equipment quality	10	12	0	10	10	10	12	14	0
Flexible service/recovery strategy	54	58	36	48	57	60	52	64	43
Information/responsiveness to customer needs	18	20	9	19	20	10	28	14	7
Location of logistics hubs	28	30	18	19	33	30	24	32	29
Overall service quality	23	26	9	29	20	20	24	27	14
Physical nature of goods	23	20	36	10	17	70	20	32	14
Rail freight experience/past track record	16	14	27	5	17	40	16	14	21
Security of goods in transit	8	8	9	5	7	20	4	9	14
Service quality - journey time	20	16	36	10	13	60	28	14	14
Service quality - lead times	34	32	45	19	43	40	44	36	14
Service quality - on time/punctual delivery	26	20	55	14	27	50	32	18	29
Track and trace	8	10	0	10	10	0	16	0	7

Top Rated Barriers

Other key findings

Capabilities on project:
Transportation

Table 4.3 Main Barriers to Using Rail for Domestic Movements 2010 survey for comparison (Multipleresponse)

	%
Overall	
Access to the rail network	71
Total costs	69
Route availability	55
Availability of suitable rail equipment (e.g. wagons)	51
Producers	
Access to Rail Network	78
Total Costs	67
Availability of Suitable Rail Equipment	50
Logistics Company	
Total Costs	69
Route Availability	69
Access to Rail Network	63
Port/Rail Terminal Operators	
Total Costs	71
Access to the rail network	71
Route availability	65
Users	
Total Costs	71
Access to Rail Network	67
Route Availability	52
Non Users	
Access to rail Network	89
Availability of Suitable Rail Equipment	78
Route Availability	67
Bulk	
Total costs	60
Access to the rail network	60
Availability of suitable rail equipment (e.g. wagons)	40
Non Bulk	
Access to the rail network	79
Route availability	79
Total costs	68
Location of logistic hubs	68

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QB5A which of the following factors do you consider being the main barriers to changing mode of transport from another mode to rail?

Respondents were asked which of the barriers listed before was the most important barrier. Only 31 respondents answered this question.

Figure 4.1 Of These Factors Which do you see to be the Most Important? (QB5b)

	%
Cost/Price	41
Access to mainline network	34
Flexible Service/Recovery Strategy	7
Service Quality - Lead Times	7
Location of Logistics Hubs	3
Service Quality - Journey Time	3
Service Quality - On Time/Punctual Delivery	3
Base	31

It is evident that although cost is the top barrier mentioned several times by respondents it is not the only factor and the following barriers were mentioned in the survey and are not ranked in any specific order. They are currently influencing operators in their decision making process when considering changing from another mode of transport to rail:

- Location of end user
- Competition
- Lack of off loading facilities
- Handling costs
- Timing of departures
- Start up costs for new rail services
- Lack of certainty and stability of access charges
- Lack of certainty on future capacity on core truck routes
- Train paths from Southampton
- Frequency of service
- Effective clean path routes at good times
- Need 7 day operation

These barriers are illustrated by the following quotations from the survey.

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The main barrier to mode shift can be the start up costs especially for a new rail operation where new wagons, terminal facilities, connections to the network (which can incur high costs from Network Rail), and handling equipment may be required. The costs of "entry to the market" are far greater for rail than in comparison with road transport. Rail must pay an Access Charge for use of any route (not the case for rail apart from on toll roads) along with handling charges for some commodities again not incurred by road (e.g container lifts at ports). With rail margins very low our ability to incur additional costs such as these make it even harder to maintain a competitive edge against other modes. Certainty and stability of future Access Charges is vital for rail freight especially in markets that the ORR perceive to be unaffected by competition from road. Securing efficient and "clean" paths (e.g: at times of the day that fit with customer requirements and on the shortest and quickest route) on the mainline network can be less than straightforward, thus making it harder to offer the customer the most competitive quote possible. It is also much harder for rail to be able to provide next day quotes for customers, in the same way that road can do. Looking strategically, the lack of certainty surrounding future capacity for freight services on some of the core trunk routes on the network is not providing customers and operators with the security that they need to commit to long term capital investment and agreement of long term haulage contracts.
(User_LogisticsCo_Both)

Handling costs and hubs/transfer stations (User_ProdRecvrGoods_Bulk)

Lack of off-loading facilities at collieries (User_ProdRecvrGoods_Bulk)

Train paths to /from Southampton are a concern / limitation, however we understand that funds from the SFN budget have been allocated to address this problem.
(User_LogisticsCo_Non Bulk)

Other considerations include frequency of service. A daily service from A to B may suit customers, but the timing of departure or arrival may not, thus there may be a market but the service may only suit some customers. The general increase in loading gauge whilst welcomed, should be accompanied, by research on different rail wagons/containers, which generally only takes place when suppliers suggest a change, and then there is a time lag in getting testing and approval from Network Rail.(User_LogisticsCo_Both)

Location of end user, need for "just in time" delivery for small quantities
(User_PortTerminal_Bulk)

Competition from shipping lines who offer cut price transport rates as a means of capturing business but then fail to meet service requirements (User_LogisticsCo_Non Bulk)

Need guarantee of 7 day running (User_ProdRecvrGoods_Bulk)

Capabilities on project:
Transportation

4.2 European

59% of the companies in the survey (36) transport goods into/out of the UK from or via continental Europe (QC2). The main modes used for this traffic are set out in table 4.4. By far the most common mode is sea (either Intercontinental or European/Coastal, which combined is used by 62% of the respondent companies, split equally 31% each). Rail freight through the Channel Tunnel accounts for 25% and it is assumed this category includes freight using Le Shuttle services. Only 13% of respondents use road and a ferry crossing.

Table 4.4 What is the Main Mode of Transport That You Use? (QC2)

	%
Sea (Intercontinental)	31
Sea (European/Coastal)	31
Rail freight through the Channel Tunnel	25
Road and a ferry crossing	13
Total	100
Base	36

Table 4.5 (below) shows the main factors perceived as limiting use of rail to/from continental Europe. Cost is by far the most important factor that respondents cite as preventing use of rail to/from Continental Europe, a finding that is common to the 2010 survey. Other key factors include access to the mainline network, location of logistics hubs, access to terminals and flexible service/recovery strategy. These factors are generally consistent across the different types of respondent see Table 4.6a.

Table 4.5 Main Barriers to Using Rail for European Movements (Qc3a) (Multiresponse)

	%
Cost/price	72
Access to mainline network	28
Location of logistics hubs	28
Access to terminals	25
Flexible service/recovery strategy	25
Physical nature of goods	25
Service quality - on time/punctual delivery	22
Rail freight experience/past track record	19
Overall service quality	17
Service quality - journey time	17
Service quality - lead times	11
Equipment quality	8
Information/responsiveness to customer needs	8
Track and trace	6
Security of goods in transit	3
Environmental considerations	0
Base	36

Capabilities on project:
Transportation

Table 4.6a Main Barriers to Using Rail for European Movements (Qc3a) by Segment

	Overall	User	Non User	Bulk	Non Bulk	Both	Producer	LogisticsCo	Port_Terminal
	%	%	%	%	%	%	%	%	%
Access to mainline network	28	21	57	18	37	17	26	27	33
Access to terminals	25	24	29	36	26	0	21	27	33
Cost/price	72	79	43	64	84	50	68	91	50
Environmental considerations	0	0	0	0	0	0	0	0	0
Equipment quality	8	10	0	0	16	0	5	18	0
Flexible service/recovery strategy	25	28	14	9	32	33	21	45	0
Information/responsiveness to customer needs	8	7	14	9	5	17	16	0	0
Location of logistics hubs	28	31	14	27	37	0	21	36	33
Overall service quality	17	14	29	9	16	33	21	18	0
Physical nature of goods	25	24	29	36	16	33	37	9	17
Rail freight experience/past track record	19	21	14	0	26	33	21	27	0
Security of goods in transit	3	0	14	0	5	0	5	0	0
Service quality - journey time	17	17	14	0	21	33	16	27	0
Service quality - lead times	11	10	14	0	16	17	16	9	0
Service quality - on time/punctual delivery	22	21	29	0	32	33	32	9	17
Track and trace	6	7	0	0	11	0	11	0	0

Top Rated Barriers

Capabilities on project:
Transportation

We had a good response rate from those using the Channel Tunnel which is positive. The most cited barrier to using rail or indeed more rail if an existing customer for European movements is again cost/price (72% compared to 64% in 2010). Secondary factors highlighted by non-users are the difficulty of accessing the rail network for international freight trains and the lack of consistent gauge, location of international terminals and lack of coordination between countries were all mentioned in responses.

Table 4.6 Factors Preventing use of Rail to/from Continental Europe 2010 for comparison

	%
Overall	
Costs	64
Overall service quality	31
Location of customers	22
Route availability	22
Punctuality and reliability of journey	22
Producers	
Costs	58
Route Availability	33
Location of Customers	25
Physical Nature of Goods	25
Logistics Companies	
Costs	69
Overall Service Quality	54
Punctuality and reliability of journey	38
Port/Rail Terminal	
Costs	64
Overall service quality	27
Punctuality and reliability of journey	27
Users	
Costs	66
Overall service quality	28
Punctuality and reliability of journey	24
Non users	
Costs	57
Overall service quality	43
Route availability	43
Bulk	
Costs	67
Location of customers	33
Overall service quality	25
Response times	25
Non Bulk	
Costs	77
Route availability	38
Overall service quality	38
Punctuality and reliability of journey	38

Capabilities on project:
Transportation

QC3A (What factors prevent you from using rail for traffic to or from continental Europe?)

Table 4.7 Main Barrier to Using Rail for European Movements (Qc3b)

Factor	%
Cost/Price	55
Physical Nature of Goods	10
Flexible Service/Recovery	
Strategy	6
Service Quality - Journey Time	6
Service Quality - On	
Time/Punctual Delivery	6
Access to mainline network	3
Access to terminals	3
Equipment quality	3
Location of Logistics Hubs	3
Overall Service Quality	3
Base	36

The Channel Tunnel saw an increase in freight trains in 2011 compared to 2010 of 14% but the first quarter of 2012 saw only the same number of trains running as in 2011 even though volume increased by 2%. Eurotunnel has said that the 600 euro security toll introduced by French Railway Infrastructure Manager (RFF) at the beginning of 2012 on every freight train has caused growth to slow. (Source: Railfreight Group Newsletter 94 June 2012). It is clearly likely to have a negative impact as already the cost of using the tunnel has been an issue and now there is this additional factor. It was mentioned in responses.

The following responses are factors limiting the further use of rail traffic to or from continental Europe include;

- The cost of using the Channel Tunnel
- The whole uncertainty of pricing business through the Channel Tunnel
- Location of ports in England is good with a variety of good connections
- Location of customers (may not be worth sending goods from northern parts of UK via the tunnel if North Sea ferry services are much closer)
- Route availability
- Physical nature of goods (cannot send hazardous goods through the tunnel)
- Lack of investment in the British network (smaller rail gauge than in Mainland Europe)
- Tunnel not geared for large bulk movements
- Lack of volume (need to have large volume to run cost effective trains)

Location seems to be a big factor as well as costs. For example if companies received funding for perhaps environmental benefits it would help lower shipper costs and encourage rail traffic to/from continental Europe.

The following are quotations that illustrate the issues, the first box are cost related and the second box are other factors.

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Cost Factors

The cost of using the Channel Tunnel is expensive. We have investigated and the numbers do not add up compared with Deep-Sea Transshipment to Europe.

(User_LogisticsCo_Non Bulk)

The physical constraints of the British rail network generates an extra cost factor in needing specific wagons and locomotives just for the UK.

(user_LogisticsCo_Non Bulk)

We source 100% of the coal from the international market, vessels only call at Continental European ports to lighten to enable access draft restricted to UK ports. The cost of handling/railing the product from Europe would be uneconomic.

(User_ProdRecvrGoods_Bulk)

Rail connections into Europe should again compliment however at this time it is very difficult and very expensive to move boxes to and from the UK via rail. Critical mass is required by the operators to have confidence to be able to cover their risk and start new services so it remains a product that does not compete on a level playing field. As and when this changes we would review but it would need substantial investment at the early stages to be able to offer a competitive and reliable alternative.

(User_LogisticsCo_Non Bulk)

Other Factors

Distance travelled is already significant, little impact to bring into UK rather than near to continent.

(User_ProdRecvrGoods_Bulk)

Physical location of Port in North East England

(User_PortTerminal_Bulk)

Lack of investment on the British network is a key hint

(User_LogisticsCo_Non Bulk)

Location of factories in France where I would need to move product south to the nearest hub before shipping north.

(User_ProdRecvrGoods_Non Bulk)

Lack of opportunity to consolidated services shipping one or two wagon loads.

(User_ProdRecvrGoods_Non Bulk)

Tunnel not geared up for large bulk movements.

(User_ProdRecvrGoods_Bulk)

Corrosive nature of goods.

(User_ProdRecvrGoods_Bulk)

5 Price Sensitivity and Future Use of Rail

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5 Price Sensitivity and Future Use of Rail

5.1 Price Sensitivity

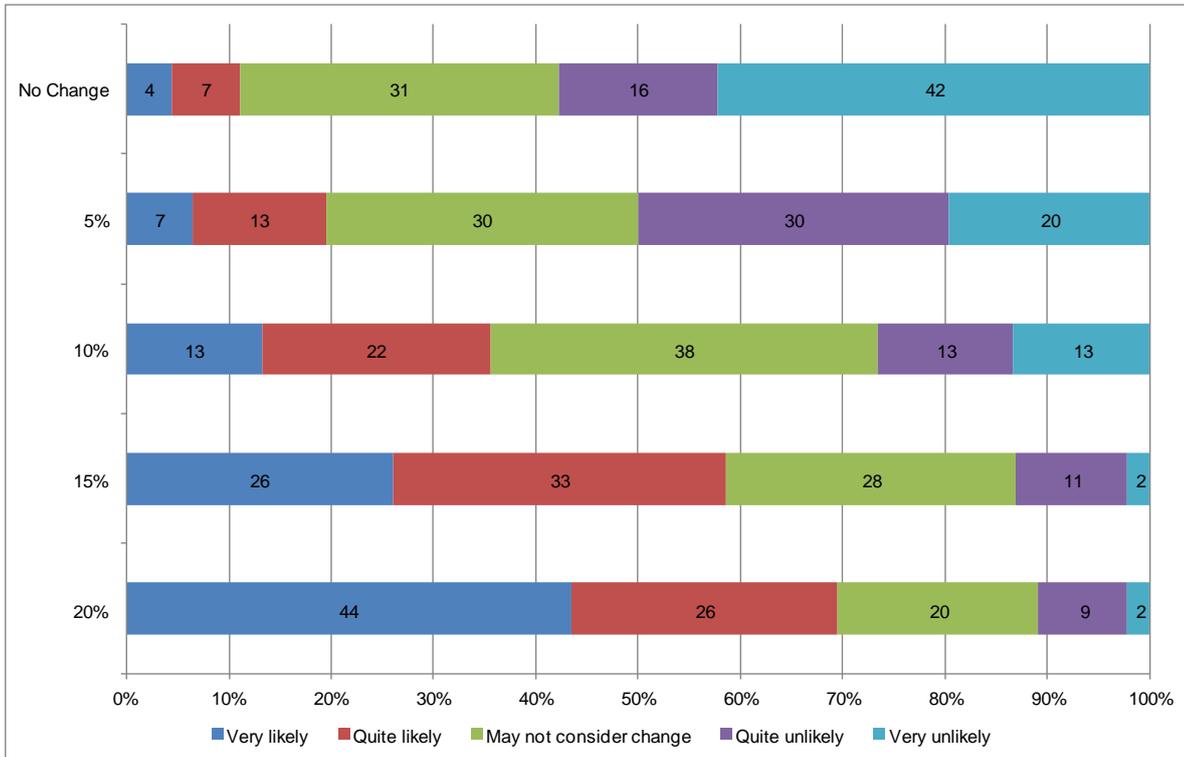
Companies were asked two questions:

- If the price of your main alternative to rail movements increased by the following amounts, how likely would you be to change to rail (QB6a); and
- If the price of your rail transport movements increased by the following amounts, how likely would you be to change your mode from rail (QB7a).

The assumption made in each case is that this is the net difference in price between the modes. It is recognised that in reality if the price of, for example, fuel increases it will affect all modes of transport albeit with different levels of outcome.

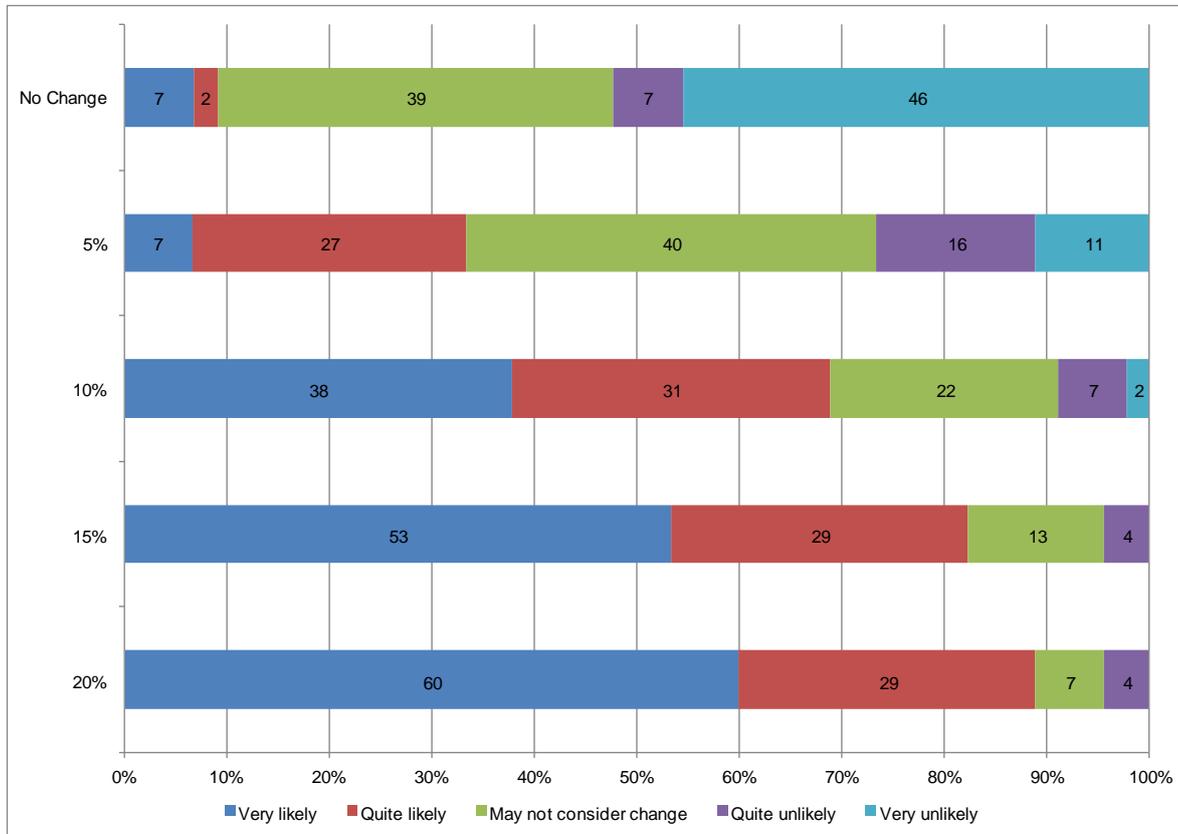
Figures 5.1 and Figure 5.2 show the results which are summarised in Table 5.1

Figure 5.1 If the Price of your Main Alternative Mode (to Rail) movements increased by the following amounts, how likely would you be to change to rail? (QB6a)



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Figure 5.2 If the Price of your Rail Transport Movements Increased by the Following Amounts, How Likely would you be to Change your Mode of Transport from Rail? (QB7a)



According to the responses to these questions, companies would be more sensitive to changes in the price of rail than to the price of the competing mode to rail (usually road). This indicates that the cross elasticity of the road price for rail users is lower than the rail price elasticity for rail users.

Table 5.1 shows the impact on rail usage of different price increases for rail and for a competing mode (mainly road). These are similar to the 2010 survey. So for example if rail prices went up by 10% and road prices remained static, the survey results show that 69% of respondents may reduce the quantity of rail freight used. Conversely if road prices went up by 10% then around 35% of respondents would increase the amount of rail usage.

Table 5.1 Impact of Price Changes on Rail (QB6a & QB7a)

Change in Price	% of Those likely to increase rail usage if price of alternative mode increases as shown	% of Those likely to reduce rail usage if price of rail increases as shown
Increase of 20%	70	89
Increase of 15%	59	82
Increase of 10%	35	69
Increase of 5%	20	34
No Change	11	9

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QB8b (Which mode would you be most likely to switch to if you were to reduce the freight you transport by rail? Please explain why)

Companies were asked if they had to switch modes due to a reduction in the freight they transported by rail, which mode they would switch to. From the responses virtually all companies said that they would switch to road. 98% (60 out of 61) of respondents said they would switch to road if they reduced their use of rail freight. The other respondent said they would go out of business if this was to happen. The reasoning behind this is because road is seen by them to be more flexible, convenient, cost effective, reliable, easy to set up and it has good availability. However there was a company who would not switch modes because it was not practical for the products they provided.

Quotations that illustrate some of the reasoning to switching modes are provided below.

Road transport has more flexibility overall and currently there is good availability at reasonable cost. (User_LogisticsCo_Non Bulk)

We have experience with road transport and our infrastructure supports it. Air would be too costly as our product is bulky & heavy. Waterways might work for a small proportion, but most of our depots have no wharf (most are already rail connected). (User_ProdRecvrGoods_Bulk)

The ORR believes that the UK Generators are a captive market and to certain degree they are right but we could switch a significant volume to give financial benefit. We have examined buying our our road haulage fleet in the past. (User_ProdRecvrGoods_Bulk)

Both rail and road should compliment rather than compete against each other. We plan our business by putting the right job on the right mode and have experienced road and rail planners working alongside each other. If long term support is not given to be able to grow our rail product it would naturally go back to road. Our shipping line has total control over its planning ensuring we optimise every box through the use of IT systems and reports ensuring the right terminal and a final delivery within a radius of 50 miles wherever possible. (User_LogisticsCo_Non Bulk)

Total through cost is what wins the Port new business - ie total of Port cost plus transport costs. We sometimes offer free /low warehouse storage costs to attract customers away from closer Ports. (User_PortTerminal_Bulk)

Our material leaves mine by rail to terminal for onward movement already. (User_ProdRecvrGoods_Bulk)

5.2 Future Use of Rail

Table 5.2 (below) shows respondents' predicted future use of rail freight based on responses to the following two questions:

- Assuming that there are no significant changes in the overall service provided by rail what percentage of your transport movements would you expect to move by rail in the future (Qb9a) This was asked of users only; and

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- If the overall service provided by rail is improved to meet all of your key requirements what percentage of your total transport movements would you consider moving by rail in the future? This was asked of users and non users(Qb10a).

This shows that even with no increase in the rail service offer, rail users expect their use of rail to rise by 37% in the next 12 months which we accept is a very high figure. Last time the figure was a rise of 18%. The growth is expected to continue to 44% in 6 to10 years. If the rail service is improved to meet all key requirements the use of rail rises by 41% in the next 12 months and by 49% in 6 to 10 years. This represents a 12% increase over the share predicted for the next 12 months based on no improvement in the overall service provided by rail. For non rail users if the rail service is improved to meet all key requirements use of rail in the next 12 months would be 5% rising to 11% over the next 6 to10 years. Overall this relates to an increase in use of rail from 36% in the next 12 months to 44% over the next 6 to10 years, an increase of 8%. The 2010 survey predicted an increase from 24% to 45% . So the current survey has a higher predicted share in the next 12 months but the predicted share over 6 to10 years is quite similar.

Table 5.2 Expected Future % Transport Movements to be Moved by Rail (Users and Non Users) (QB9a B10a F3)

	No Changes to Rail - % of movements by Rail	Rail Improved % of Movements by Rail		
		Rail Users	Non Rail Users	Overall
Next 12 months	37	41	5	36
1-2 years	40	43	9	39
3-5 years	42	46	13	43
6-10 years	44	49	11	44

QB9b (Assuming that there are no significant changes in the overall service provided by rail what percentage of your transport movements would you expect to move by rail in the future? Please explain why.)

As stated by the respondents, there is considerable potential to grow the rail freight share of the market in the future. Some respondents mentioned limitations such as quality of service, non-rail connected consignments, increased costs and the difficulties in finding rail heads at the right price. This is supported by the reasons given by respondents presented below.

We want to grow our business by both rail and road. We expect our total handled tonnage to increase from 1.5 million tonnes to 3 million tonnes over the next 10 years.
(User_PortTerminal_Bulk)

Favoured mode is rail, maximum modal shift opportunity constrained by non-rail connected consignees. (User_ProdRecvrGoods_Bulk)

Service and flexibility is imperative within our service offered to our customer and this is not always possible via rail. The alternative is road direct from the port of arrival.

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(User_LogisticsCo_Non Bulk)

The rail industry is gaining credibility within the logistics industry, although the element of commercial risk remains a barrier to creating new services. (User_LogisticsCo_Both)

Within our multimodal logistics company there is a continued drive to develop current & potential rail routes within the UK. (User_PortTerminal_Non Bulk)

Transport costs are extremely competitive therefore saving resources is critical to our business. Smart planning means maximising use of both the rail wagon and the truck. To increase truck productivity you need to increase predictability, moving the box closer to the final customer / delivery point allows us to do this. (User_LogisticsCo_Non Bulk)

I expect a gradual increase in terms of "opportunistic" switch to rail over the next 2 years with an increase in services within 5 years. I would expect to see some new rail freight terminals open up and we will utilise these within 5 years and some network changes of our own in 6-10 years to enable further switch to rail. (User_LogisticsCo_Non Bulk)

Road congestion and fewer hauliers wishing to participate in container logistics will require more rail moves. However please remember that 95% of rail moves still have a road move attached and it is the road miles that will reduce. (User_LogisticsCo_Non Bulk)

The rail industry needs to change considerably to be competitive. There is great uncertainty over the future cost of rail and receivers are reluctant to take on the high costs of rail infrastructure without some confidence in pricing.

(User_PortTerminal_Both)

QB10b(If the overall service provided by rail is improved to meet all of your key requirements, what percentage of your total transport movements would you consider moving by rail, in the future? Please explain why?)

Respondents were asked if the overall service was improved whether they would consider moving by rail in the future. For many of the companies it seems that there is a lot of potential to grow further in the future, given that additional terminals were to be opened to support connections to other modes. Furthermore improvements in service will give companies greater confidence to be able to shift from road to rail allowing the market to be more competitive.

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Below are key quotes from companies relating to improved service and future impacts.

*Some movements will not be possible by rail due to distance to rail hubs.
(User_ProdRecvrGoods_Non Bulk)*

The current service level has its challenges but generally leadtime and service quality is satisfactory. As ever it is the contingency and flexibility of response to failure that poses the challenge. (User_LogisticsCo_Non Bulk)

Our terminal will support approx 20% of our sales demand if competitive. The above is made assuming that rail is competitive. (User_PortTerminal_Bulk)

*Road support to rail routes could be eliminated and access to additional receiving hubs would give access to markets currently only accessible by other modes.
(User_ProdRecvrGoods_Bulk)*

Assumes Network Rail investment between Birmingham and Southampton continues in order to increase train lengths and to make more train paths available. We believe that there are substantial opportunities that will arise for rail in the next two years arising from increased car production at UK factories (Jaguar, Landrover and BMW Mini) and that rail is well suited to serve these requirements. However this will not be deliverable by rail unless this investment goes ahead. (User_LogisticsCo_Non Bulk)

*At the moment rail is being discounted as the extra cost takes effect on distance from rail head. Were rail pricing to fall by approx 30% then the distance from rail head that can be serviced will increase.
(User_LogisticsCo_Non Bulk)*

The development of SRFI's & improvement in the availability & cost of rail options can only assist in the increase in rail freight and the transfer from general road routes. (User_PortTerminal_Non Bulk)

6 Industry Performance – Perceived Importance and Performance and Priorities for Improvement

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6 Industry Performance – Perceived Importance and Performance and Priorities for Improvement

6.1 Perceived Importance and Performance

Respondents were asked to rate different service quality attributes in terms of importance and performance (QD1 and QF4).

Table 6.1 shows the most important overall service characteristics and the number of respondents. These are scored on a 1 to 10 scale, where 1 is extremely unimportant and 10 is extremely important. Overall, price is the most important service characteristic, followed by service quality – on time punctual delivery, and access to mainline network. Table 6.2 shows the results from the previous survey. Cost and the need for on-time punctual delivery are even more important than the scores last time.

Table 6.1 Overall Importance Scores (QD1a/QF4a)

		Mean	Base
1	Cost	8.91	57
2	Service Quality - On Time/Punctual Delivery	8.33	57
3	Access to mainline network	8.11	57
4	Overall Service Quality	7.86	57
5	Access to terminals	7.70	56
6	Flexible Service/Recovery Strategy	7.66	56
7	Information/Responsiveness to customer needs	7.52	56
8	Service Quality - Lead Times	7.35	55
9	Location of Logistics Hubs	7.18	55
10	Service Quality - Journey Time	6.84	55
11	Security of goods in transit	6.73	56
12	Equipment quality	6.58	57
13	Environmental Considerations	6.35	57
14	Rail Freight Experience/Past Track Record	5.73	55
15	Physical Nature of Goods	5.56	57
16	Track and Trace	5.18	56

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Table 6.2 Overall Importance Scores from 2010 (for comparison)

		Mean	Base
1	Cost	8.24	42
2	Responsiveness to customers needs	8.10	41
3	Reliability of service/ journey time	7.80	40
4	Overall service quality	7.71	41
5	On-time delivery	7.71	41
6	Available capacity on the network	7.66	38
7	Flexible service	7.45	38
8	Effective recovery strategies	7.38	39
9	Equipment quality	7.37	35
10	Ease of access to information	7.29	35
11	Security of goods in transit	7.18	38
12	Environmental considerations	7.07	40
13	Total journey time	6.87	38
14	Past track record	6.16	32
15	Rail freight experience	5.94	36
16	Added value services (e.g. tracking)	5.79	34

Table 6.3 shows the performance scores for the different service attributes in the left hand column and importance rank from Table 6.1. The mean scores are on a 1 to 10 scale where 1 is extremely poor and 10 is extremely good.

Table 6.3 Performance Scores (QD1b/QF4b)

Performance Rank	Importance Rank		Mean	Base
1	13	Environmental Considerations	7.71	55
2	11	Security of goods in transit	6.95	56
3	4	Overall Service Quality	6.55	56
4	2	Service Quality - On Time/Punctual Delivery	6.50	56
5	12	Equipment quality	6.35	55
6	10	Service Quality - Journey Time	6.30	54
7	8	Service Quality - Lead Times	6.04	54
8	5	Access to terminals	6.04	56
9	3	Access to mainline network	5.86	58
10	9	Location of Logistics Hubs	5.69	55
11	14	Rail Freight Experience/Past Track Record	5.61	54
12	7	Information/Responsiveness to customer needs	5.55	55
13	1	Cost/Price	5.52	56
14	17	Other	5.50	6
15	15	Physical Nature of Goods	5.45	51
16	16	Track and Trace	5.29	52
17	6	Flexible Service/Recovery Strategy	5.24	55

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Comparing Tables 6.1 and 6.3 it is interesting that the service attributes are scored differently for importance and performance. Overall, performance scores are lower than the importance scores and the most highly scoring performance characteristics are not those viewed as being most important. For example, Cost is the most important service attribute yet it is ranked 13th in terms of performance. The gap between the importance and performance score gives an indication of priorities for improvement. This is discussed in the next section. Table 6.4 shows the previous scores for comparison.

Table 6.4 Performance Scores from 2010 for comparison

Performance Rank	Importance Rank		Mean	Base
1	12	Environmental considerations	7.65	37
2	5	On-time delivery	6.95	38
3	4	Overall service quality	6.79	38
4	11	Security of goods in transit	6.76	38
5	13	Total journey time	6.68	38
6	9	Equipment quality	6.68	37
7	3	Reliability of service/ journey time	6.67	39
8	15	Rail freight experience	6.53	38
9	14	Past track record	6.00	36
10	1	Cost	5.93	40
11	6	Available capacity on the network	5.66	38
12	2	Responsiveness to customers needs	5.39	38
13	10	Ease of access to information	5.39	38
14	8	Effective recovery strategies	5.34	38
15	7	Flexible service	5.00	39
16	16	Added value services (e.g. tracking)	4.85	34

6.2 Priorities for Improvement

AECOM has developed a measure called Priority Index which compares the importance and performance scores and produces an index which identifies priorities for improvement based on the gap between these scores. It is calculated by subtracting the importance score from the performance score and multiplying this by the importance score. Because performance scores are generally lower than importance scores, this calculation gives a negative score, so this is multiplied by minus one to turn this into a positive index. The higher the Priority Index score, the bigger the priority for improvement.

Table 6.5 shows the top overall Priority Index scores. These scores have been calculated from importance and performance scores reported in the survey (see above). This shows cost/price is perceived by respondents as having the highest priority for improvement, followed by access to

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mainline network, flexible service/recovery strategy, information / responsiveness to customer needs and Service Quality_OnTimePunctual Delivery.

Cost has become an even higher priority for improvement since the 2010 survey which could be a reflection of the current economic conditions. Access to the mainline network for a non-rail user is a key priority (49.00). Another key factor for non-users is the need for an On Time/Punctual Delivery Service (35.40) which is particularly important for the non-bulk sector. Having a Flexible Service with a known robust Recovery Strategy if something goes wrong has a very high priority index for current rail users (24.33). Environment Considerations have a negative priority index score which means the industry performance is higher than required. This is not to say the industry should be complacent in this area but it shows it is one of the best attributes the rail freight industry has.

Table 6.5 Priorities for Improvement (Priority Index Scores)

Feature	Priority Index	Base
Cost	35.34	56
Access to mainline network	23.32	57
Flexible ServiceRecovery Strategy	23.07	54
InformationResponsiveness to customer needs	20.35	55
Service Quality_On TimePunctual Delivery	19.45	56
Access to terminals	18.93	56
Location of Logistics Hubs	16.05	55
Overall Service Quality	15.13	56
Service Quality_Lead Times	14.39	54
Service Quality_Journey Time	8.81	54
Rail Freight ExperiencePast Track Record	7.43	53
Equipment quality	5.98	55
Physical Nature of Goods	5.53	51
Security of goods in transit	4.67	55
Trace and Trace	3.42	52
Environmental Considerations	-3.60	55

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	Overall	User	Non User	Bulk	Non Bulk	Both	Producer	Logistics	Port/Terminal
PI1 Access to mainline network	23.32	17.85	49.00	23.00	20.30	34.00	25.00	13.62	36.92
PI2 Access to terminals	18.93	17.89	23.18	23.78	15.76	19.44	22.57	13.14	22.08
PI3 CostPrice	35.34	35.74	33.50	34.83	33.76	41.44	42.92	22.14	44.00
PI4 Environmental Considerations	-3.60	-2.73	-7.50	0.65	-7.10	-0.33	-0.87	-4.29	-8.00
PI5 Equipment quality	5.98	5.60	7.70	5.33	5.79	7.89	8.70	6.19	-0.09
PI6 Flexible ServiceRecovery Strategy	23.07	24.33	16.78	27.25	21.66	20.22	28.22	16.48	25.10
PI7 InformationResponsiveness to customer needs	20.35	20.56	19.40	23.06	19.59	17.67	26.04	13.05	22.36
PI8 Location of Logistics Hubs	16.05	15.70	17.45	17.35	15.17	16.44	21.61	8.20	18.50
PI9 Overall Service Quality	15.13	13.85	21.00	15.61	14.00	17.78	18.04	8.71	21.00
PI10 Physical Nature of Goods	5.53	5.26	6.78	3.19	5.85	9.13	5.86	5.20	5.50
PI11 Rail Freight ExperiencePast Track Record	7.43	4.95	18.10	0.63	8.32	16.78	6.52	5.57	12.73
PI12 Security of goods in transit	4.67	4.27	6.50	-5.12	8.69	10.22	-0.17	6.00	12.27
PI13 Service Quality_Journey Time	8.81	6.25	20.10	-1.88	10.71	23.11	10.68	6.76	9.00
PI14 Service Quality_Lead Times	14.39	12.70	21.80	2.94	17.25	27.11	17.14	15.00	7.73
PI15 Service Quality_On TimePunctual Delivery	19.45	15.98	35.40	10.33	23.21	25.56	20.33	16.19	23.73
PI16 Trace and Trace	3.42	1.58	12.22	0.27	2.93	11.13	3.05	3.00	5.10
Base	61	47	11	18	30	9	24	21	12

Table 6.6 Priorities for Improvement by segment

Top priority

Second Priority

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Table 6.7 Priority Index Scores from 2010 survey for comparison

User	Priority Index
Responsiveness to customers needs	24.67
Price	24.53
Flexible Services	21.39
Effective recovery strategies	20.55
Available capacity on the network	20.50
Non User	
Responsiveness to customers needs	27.50
Available capacity on the network	26.40
Flexible service	23.00
On-time delivery	22.50
Ease of access to information	22.25
Producer	
Responsiveness to customers needs	31.84
Flexible service	28.85
Overall service quality	19.31
Available capacity on the network	19.23
Price	17.69
Logistics Provider	
Price	23.46
Ease of access to information	22.55
Effective recovery strategies	19.25
Flexible service	15.80
Added value services (e.g. tracking)	15.38
Port/Terminal Operator	
Effective recovery strategies	29.75
Price	29.15
Available capacity on the network	28.62
Responsiveness to customers needs	27.69
Ease of access to information	20.58
Bulk	
Responsiveness to customers needs	21.53
Flexible service	21.07
Price	20.31
Available capacity on the network	13.57
Overall service quality	13.44
Non Bulk	
Price	21.92
Available capacity on the network	21.91
Effective recovery strategies	20.92
Responsiveness to customers needs	19.42

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D2 In terms of the UK Rail Freight Industry, which of these factors have the biggest negative gap between the service delivered (i.e. performance) and your expectations (e.g. importance)? Please explain why:

Companies mentioned price as being the biggest negative gap that has limited them from carrying out particular tasks. For example one comment made stated that the price offered restricted the company from moving freight by rail due to the overall costs of changing transport modes. Furthermore the recovery strategies are perceived as being poor and need further improvement to match those of a road based solution. This is because as mentioned by several companies if something goes wrong the lack of a recovery plan means there is a limited capacity to run additional rail services to make up for losses. Finally flexibility to meet customer demands also seemed to be an important concern for the majority of companies as flexible services are becoming relatively important.

Respondents were asked to give the underlying reasons behind the factors they thought have the biggest negative gaps.

Price. Aggregates are a relatively low value high cost bulk commodity and this is the single most important factor in any comparisons. Also rail will almost always involve rehandling in our sector that adds significant adverse cost to rail in comparison to road.

(User_Port_Terminal_Bulk)

In the end if the cost/price is not competitive all other factors are irrelevant. In this sense our growth as a business means our traffic on rail is competitive. However there are other potential flows where cost is really prohibitive and disappointing. (User_LogisticsCo_Non Bulk)

The ultimate factor is cost, whilst a green message may appear import customers will simply not pay more, for volume to remain on rail the overall rate has to match / beat the road price, otherwise clients will switch to road haulage as it's faster and easier to use (User_LogisticsCo_Non Bulk)

On time delivery and security remain an area for improvement. Rail relies on multiple parts of the supply chain all performing well in order to deliver a final product whereas the road is much more simplistic and agile. One customer can have multiple containers on a train and they all fail at the same time should there be a delay so the impact seems greater even if we accept road also has issues that may cause a delay. (User_LogisticsCo_Non Bulk)

Flexibility. One failed train equals 30 delayed deliveries. (User_Port_Terminal_Non Bulk)

Rail flexibility/recovery is poor, once a train is cancelled it is almost impossible to make it up. Road offers much greater flexibility in this respect. (User_ProdRecvrGoods_Bulk)

Flexible service has become increasingly important to us to meet the demands of our customers. The rail industry endeavours to retain the rigidity of a weekly timetable and resources accordingly. (User_LogisticsCo_Bulk)

7 Contact and Satisfaction with Freight Industry Organisations

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7 Contact and Satisfaction with Freight Industry Organisations

This section was only for rail users. Respondents were asked to indicate the level of contact they have had with various freight industry organisations and their level satisfaction with them.

Table 7.1 shows the level of contact with different freight industry organisations and the highest category is regular contact with road based logistics companies (83%), 47% with Trade Associations (e.g. RFG, FTA, BIFA), 61% with Port Operators and 57% with Terminal Operators. Of the rail freight operating companies, DB Schenker is the company with which respondents have had the most contact which is not surprising since it has the largest market share. Only 13% of respondents have had regular contact with ORR (down from 23% in the 2010 survey) and 32% have had no contact at all with ORR (down from 45% in the 2010 survey).

Table 7.1 In the last 12 months or so, how much contact have you had with each of the following organisations/ types of organisation in connection with issues related to the transport of freight? (QD4)

	Level of Contact (%)		
	Regular Contact	Single/occasional contact	No contact at all
DB Schenker Rail (Rail Freight Operator)	62	30	9
Direct Rail Services (Rail Freight Operator)	15	28	57
Freightliner Ltd (Rail Freight Operator)	36	23	40
Freightliner Heavy Haul (Rail Freight Operator)	35	13	52
GB Railfreight Ltd (GBRF) (Rail Freight Operator)	43	32	26
Colas (Rail Freight Operator)	17	32	51
Aggregators	13	9	78
Freight forwarders	30	22	48
Terminal operators	57	25	18
Road based logistics companies	83	9	9
Port operators	61	24	15
Trade associations (e.g RFG, FTA, BIFA)	47	34	19
Central Government (e.g DfT)	24	48	28
ORR	13	55	32
Network Rail (NR)	36	40	23

Base=47

Table 7.2 shows the level of satisfaction that respondents have with freight industry organisations. Generally, there is a high level of satisfaction with the freight industry organisations with which respondents are in regular contact. The proportion of companies that are either very satisfied or quite satisfied with the following organisations are as follows:

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(2010 %'s are in brackets)

- Road based logistics companies 83% (84%);
- Rail freight operators, 72% (73%);
- Trade Associations, 63% (66%);
- Port Operators, 72% (66%); and
- Terminal Operators, 68% (74%).

As far as dissatisfaction is concerned overall the rail freight industry had just 7% dissatisfied. But the worst rating was for Central Government with 22%, the ORR with 13% (15%) and Network Rail just 4% were dissatisfied. On the operational side 6% were dissatisfied with Port Operators, 3% with Freight Forwarders, 3% Terminal Operators, and 5% with Trade Associations.

The Freight Operating Companies (FOCs) had no dissatisfied "end user" customers in this survey which is an improvement on last time and genuinely reflects the improvements the industry is making. The only dissenting voice was from a rail consultant.

The FOCs themselves have limited resources to spend on marketing but several of the smaller operators are increasing the percentage of contacts they have and indeed the amount of regular contact they have. This is important if true competition is to take place. Several FOCs have been successful in bringing completely new business to the rail sector and this is a healthy situation.

Table 7.2 For Those Organisations/Types of Organisation that you have had either Regular or Single/Occasional Contact with, Please Indicate how Satisfied (overall) you have been with their Performance (QD5)

	Satisfaction Level (%)				
	Very satisfied	Quite satisfied	Neither satisfied nor dissatisfied	Quite dissatisfied	Very dissatisfied
Road based logistics companies*	29	54	17	0	0
Rail freight operator	21	51	26	2	0
Trade associations (e.g. RFG, FTA, BIFA)	18	45	32	5	0
Port operators	18	54	23	3	3
Network Rail (NR)	15	29	51	2	2
Terminal operators*	11	57	29	0	3
Aggregators*	8	27	65	0	0
Freight forwarders*	7	42	48	3	0
ORR	5	21	61	5	8
The road freight industry overall	5	71	24	0	0
The rail freight industry overall	2	56	36	7	0
Central Government	0	22	57	22	0

Base= 47

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For ORR, where respondents had regular or relatively low levels of contact, the proportion of respondents that are satisfied or very satisfied was 26% (43%) and a further 61% (43%) expressed no view.

D6 Please add any further comments in relation to these performance ratings

There were six further comments in relation to performance of the rail freight sector or parts of it, one positive and the remainder were not. The second point was a response in block capitals and has been left in this format to reflect the strength of feeling.

Most of our dealings with representatives from the rail industry have been very positive and professional. (User_ProdRecvrGoods_Non Bulk)

The Lack Of "Sense Of Urgency" With The Railfreight Industry Overall Is A Challenge (User_ProdRecvrGoods_Non Bulk)

Due to the restrictions re rate and flexibility when moved inland via rail Vs road direct, road haul is a customer preference at this time. (User_LogisticsCo_Non Bulk)

I don't believe the ORR understands the UK Generation industry (User_ProdRecvrGoods_Bulk)

ORR is over-sophisticating the system and not performing as an independent regulator allowing toll increases which cannot be supported by the customers (User_LogisticsCo_Non Bulk)

ORR proposals following 5 year review are extremely unhelpful for the steel industry. (User_ProdRecvrGoods_Bulk)

8 ORR Role and Performance

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8 ORR Role and Performance

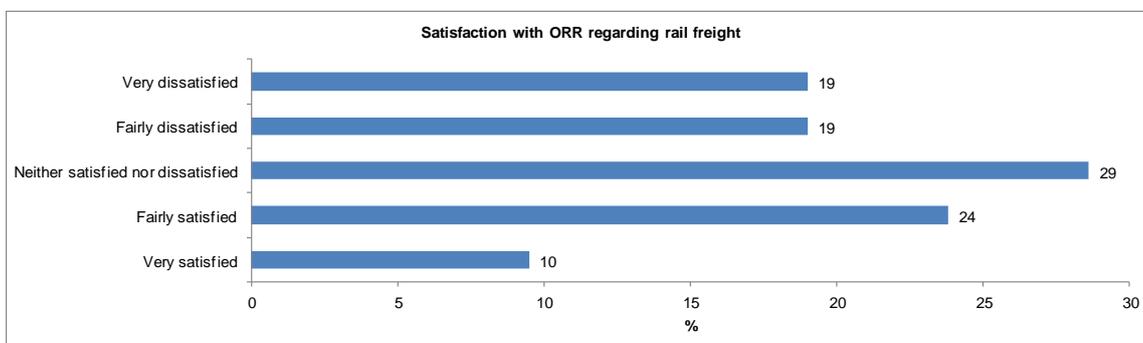
This section reviews the Role and Performance of the ORR in more detail. In the previous section, Table 7.2 showed that many of the respondents who completed this section were neither satisfied nor dissatisfied with the ORR and much of this is likely to be due to individuals not being able to form a view as to the work of the ORR. It is not known whether this is because they haven't had contact with ORR, or because they're unaware of ORR's activities. 47 out of the 61 respondents answered this question. 32% of respondents said they have no contact with the ORR and it was assumed if they have 4 or more contacts then this is regular (13%).

Table 8.1 In the last 12 months what contact have you had with ORR in connection with rail freight. I have contacted the ORR the following number of times: (QE1)

	%
0 Times	32
1 times	35
2 times	9
3 times	11
4 or more times	13
Total	100
Base	47

Figure 8.1 shows that 34% are satisfied, 38% are dissatisfied and 29% are neither satisfied nor dissatisfied with ORR's performance. However it must be emphasised that this is based on a smaller number of respondents (21) who answered this question. Respondents who had not contacted ORR were routed around this and other questions in this section.

Figure 8.1 Satisfaction with ORR's performance with regard to meeting the needs of rail freight customers? (QE2)



Base 21

What do you think ORR has done well and what do you think it could do better? (QE3)

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In answer to this question the following issues were raised and these are verbatim comments. There was some evidence that the freight sectors most likely to be affected by the proposed changes in the freight charging system were more negative towards the ORR and therefore it is acknowledged there may be some strategic bias in some results (i.e. respondents using the survey as a means to lobby on track access charges), it is the study team view that it does not detract from the overall results.

5 year review! (User_ProdRecvrGoods_Bulk)

Very open minded, good attitude to our business issue and how rail could play a role in the overall network (User_ProdRecvrGoods_Non Bulk)

Good communication but could be more transparent on the overall process. Although accepted that the market is very complex. (User_Port_Terminal_Non Bulk)

Engagement with the Rail freight Industry has been undertaken well. There is little clarity on the Strategic direction for the Rail Freight business, although an early settlement for Freight Access caps is proposed and is welcomed, because the full cost of access is not included the cap will be incomplete and therefore of much less value. The ORR has endeavoured to assist wagon owners through the European interoperability regulations but clear decisions are slow to happen. (User_LogisticsCo_Bulk)

Promotion of the rail freight business and representing user's interests is a critical role. This could be further developed to ensure all unnecessary constraints are minimised. (User_LogisticsCo_Non Bulk)

Engaging with Coal industry. Managing Network Rail (User_ProdRecvrGoods_Bulk)

Rail Freight is a wide ranging industry, and I believe the ORR is still looking for a one size fits all strategy. (User_ProdRecvrGoods_Bulk)

ORR is over-sophisticating the system by very complicated and costly review procedures. It is not neutral when it let implement toll increases which can put at danger the whole rail freight industry. It just implement a governmental cost reduction policy. (User_LogisticsCo_Non Bulk)

Not convinced that a truly competitive market exists. In particular historical ownership of long term leases to suitable sidings is still an issue. (User_ProdRecvrGoods_Bulk)

I struggle to attract additional freight to our internal services due to unreliability of train service particularly from Spain. This is forcing me to down scale the operation (User_ProdRecvrGoods_Non Bulk)

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Our experience has been limited. information on grants could be easier to obtain and easier to understand (User_ProdRecvrGoods_Bulk)

Simplified terminal access rules. Understand that road is the competition to rail and that pricing is to do with markets not costs (User_Port_Terminal_Non Bulk)

ORR in trying to support rail freight must grasp that, unlike passenger, rail freight operators are operating in a real live, harsh commercial market. Pennies matter as does a rapid response to opportunities/issues. It isn't an abstract public sector department where things can progress at their own pace and money doesn't really matter, or just move around between the players. (User_LogisticsCo_Non Bulk)

The ORR does not like talking to customers / end users. It would rather talk to a trade organisation / lobby group than someone that actually pays the bills. Having read some of the consultant reports done on behalf of the ORR then I understand why there is a general failure to understand customer requirements. (User_ProdRecvrGoods_Bulk)

Serious concerns surround the current proposals surrounding changes to freight Track Access Charges that ORR is currently consulting. Our concerns focus on the impact that these will have on both the retention of current rail freight business as well as delivering continued growth in the future. We also have similar concerns over the uncertainty concerning future policy on the granting of Access Rights and in particular the inclusion of Re-Opener Clauses to cover Major Project work for both new Track Access Applications and extensions of existing Rights. The ORR is aware of our concerns on both of these areas and we welcome further discussion to hopefully secure a positive solution for freight operators. It is important that the ORR recognise the commercial nature of the freight industry and the difficulties that we face in competing with road (in terms of costs of using the network and access to the network itself). Uncertainty over the shaping of future policy and regulation of the network is damaging for freight operators as it undermines our ability to secure long term capital investment and commitment from customers to enter into long term contracts. We would ask that in their planning of the next Periodic Review (for CP6) the ORR spreads their workload over the duration of CP5. The volume of consultations and meetings involved with the current PR13 has been very challenging for us to manage and commit resources (at the same time as undertaking the day job). (User_LogisticsCo_Both)

The Plus side would be positive action on track access rights. The Negative side would be not understanding the trades they influence and using poor quality consultants who clearly again don't understand the industry they are investigating. (User_Port_Terminal_Both)

With regard to things that ORR is doing, eight work areas were mentioned and respondents were asked to state how aware they were of this activity. ORR's role in reviewing Network Rail's revenue requirements, outputs and expenditure was the most widely known work Table 8.2g.

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The organisations that have little or no awareness of this major strategic work are all one step removed from the rail freight sector as they are all freight generators and as such are the “end users”. Their main interest is in getting their goods delivered in a timely, cost effective way regardless of mode of transport.

The least known project work of the ORR with just 24% who had contributed to or had a good awareness of the work is the study to measure disruption to freight trains caused by engineering work Table 8.2e. Here it was just three particularly interested customers that knew much about the study.

Tables 8.2a to 8.2h shows the level of awareness of ORR’s work in different areas.

Table 8.2a How Aware are you of ORR’s work in the following areas (QE4). Introducing a model track access contract for Freight customers

	%
Have Contributed to this work	14
Have Good awareness of this work	19
Have Limited awareness of this work	52
Not heard of this work	14
Total	100
Base	21

Table 8.2b How Aware are you of ORR’s work in the following areas (QE4). Developing a process for identifying options, during timetable development, to make better use of overall network capacity

	%
Have Contributed to this work	10
Have Good awareness of this work	14
Have Limited awareness of this work	57
Not heard of this work	19
Total	100
Base	21

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Table 8.2c How Aware are you of ORR's work in the following areas (QE4). Improving the mechanisms for making un-used or under-used network capacity available to other freight operators

	%
Have Contributed to this work	10
Have Good awareness of this work	29
Have Limited awareness of this work	38
Not heard of this work	24
Total	100
Base	21

Table 8.2d How Aware are you of ORR's work in the following areas (QE4). Requiring Network Rail to set up a 'recovery board' to improve freight performance

	%
Have Contributed to this work	10
Have Good awareness of this work	29
Have Limited awareness of this work	24
Not heard of this work	38
Total	100
Base	21

Table 8.2e How Aware are you of ORR's work in the following areas (QE4). Measuring disruption to freight caused by engineering work

	%
Have Contributed to this work	10
Have Good awareness of this work	14
Have Limited awareness of this work	38
Not heard of this work	38
Total	100
Base	21

Table 8.2f How Aware are you of ORR's work in the following areas (QE4). Improving transparency and consistency of arrangements for access to freight sites and the transfer of site leases

	%
Have Contributed to this work	14
Have Good awareness of this work	24

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Have Limited awareness of this work	38
Not heard of this work	24
Total	100
Base	21

Table 8.2g How Aware are you of ORR's work in the following areas (QE4). Conducting a review of Network Rail's revenue requirements, outputs and expenditure for 2014-19

	%
Have Contributed to this work	29
Have Good awareness of this work	29
Have Limited awareness of this work	29
Not heard of this work	14
Total	100
Base	21

Table 8.2h How Aware are you of ORR's work in the following areas (QE4). Certification of entities responsible for maintaining freight wagons

	%
Have Contributed to this work	24
Have Good awareness of this work	10
Have Limited awareness of this work	33
Not heard of this work	33
Total	100
Base	21

There is clear potential for the ORR to broadcast information on these studies to a wider audience. Many of the studies are aimed at making the rail industry more efficient and it is important to inform particularly potential rail users of this. Many of the workstreams would directly impact on FOCs (and so lack of full awareness by customers is understandable) but would indirectly benefit/impact on wider stakeholders. Additionally, some are work in progress, whereas some initiatives have already been implemented.

Please give details of how the workstreams mentioned above, or any other contact with ORR has or is likely to have an impact on your business (QE5)

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*CP reviews, efficiency sharing mechanism, performance regime, etc...
(User_LogisticsCo_Non Bulk)*

All would have an impact and I would like more information. They all potentially increase more competition into the sector (User_ProdRecvrGoods_Bulk)

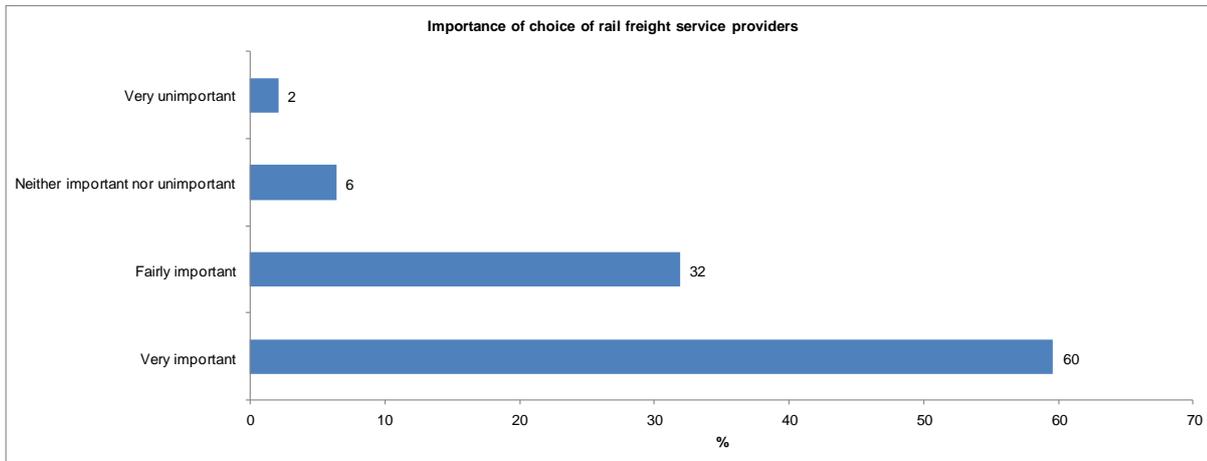
*It has the potential to alter our own contracts with freight operators
(User_ProdRecvrGoods_Bulk)*

*Clearly as an existing operator on the network, the ORR's regulatory actions and decisions on future policy will directly impact on the running of our business.
(User_LogisticsCo_Both)*

Promotion of Competition

One of the duties of the ORR is to promote competition in the provision of railway services. Figure 8.2 shows that 92% (up from 83% in 2010) think it is very or fairly important to have a choice of rail freight service providers.

Figure 8.2 One of ORR’s duties is to promote competition in the provision of railway services. How important is it to have a choice of Rail Freight Service Providers? (E6)



What benefits has competition delivered for your business (QE7)

In response to this question almost all the respondents mentioned a reduction in prices as being one of the benefits, competition has also allowed new/more freight routes to be built. Finally competition has allowed the rail freight industry to be a more competitive market, and this is evident in the responses illustrated below.

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Lower prices, better service, more routes, more options (User_LogisticsCo_Non Bulk)

Competition between operators has delivered more competitive market, with improving performance and reducing costs. (User_ProdRecvrGoods_Bulk)

This question appears to be more intended towards end customers. However, our FOC would point to the growth in rail freight by 40% (in gross tonne miles) since privatisation. The increase in operators during this time from 3 to 5 has helped in driving efficiency and improving the service offered to customers. This is recognised in the McNulty review which also offers credit to FOCs who have reduced their costs - staff per freight train km has decreased by 36% since 1998/99. The additional operators now working in the marketplace have all helped to deliver new business to rail, as borne out by the statistics, rather than abstracting existing business between the operators. (User_LogisticsCo_Both)

Freight operating companies are finally starting to work together to provide a competitive solution to some of the challenges we have faced in the path. For many years one operator moving rolling stock from another operator would not have been considered, shared routes and resources can work. (User_Port_Terminal_Non Bulk)

Whilst choice is important, the key is that we have robust performance by rail operators. We would rather have no choice and a rail operated route, rather than competition starving a route of a rail freight provision. (User_LogisticsCo_Both)

Preferred Methods for Testing ORR Policies

Table 8.3 below shows that nearly two thirds think the most appropriate method of testing ORR's policies is to engage directly with a panel of customers. This is the same as in 2010. However less than 20% now think customer surveys are appropriate and this has dropped from 46% in 2010. The inferred reason for this is that more people are likely to respond and take time to complete a survey if they believe positive actions will result from a review of the findings. Assuming the ORR goes ahead with the third survey in the series it would be sensible to outline changes that have been adopted as a direct outcome from the survey.

Table 8.3 What do you think is the most appropriate means of testing ORR's policies against the freight customer perspective. (multi response) (QE8)

	%
1 Published open consultations	30
2 Direct engagement with a panel of customers	64
3 Surveys of customer satisfaction to test effect	18
4 Other	2
Base	47

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E8 What do you think is the most appropriate means of testing ORR's policies against the freight customer perspective?

*ORR must not forget that is a Regulator and not a marketing consultant
(User_LogisticsCo_Non Bulk)*

Direct engagement with individual customers (User_LogisticsCo_Non Bulk)

*As part of the service provided, many customers will rely on the FOC to represent their views and ensure that their requirements are not adversely affected by changes in ORR policies. For some appropriate, larger consultations it may be more effective for the ORR to also engage with the larger, established customers in the market, although involvement of FOCs themselves at the same time in this process is imperative.
(User_LogisticsCo_Both)*

ORR Website

The ORR website came in for a set of mixed views, with some finding it reasonably navigable but others found it quite difficult and although it contained a section for passengers lacked an equivalent for freight. Sixteen respondents said they use the ORR website, where as thirty one did not. Some comments on the website were provided as shown below.

E10 How easily do you find the information you need and do you have any suggestions for improvements to the website? Open Ended

Fairly easy (User_LogisticsCo_Non Bulk)

No issues. (User_ProdRecvrGoods_Bulk)

It is reasonably navigable (User_PortTerminal_Both)

OK, might be useful to have a freight portal which gave links to all matters which affect freight - would avoid having to trawl through lots of irrelevant stuff (User_LogisticsCo_Non Bulk)

Quite difficult, searches frequently do not work. (User_PortTerminal_Non Bulk)

There is a section on information for passengers but no corresponding section for freight users who may not be an FOC. (User_PortTerminal_Non Bulk)

*Recent changes made to the web pages have made the site more difficult to access. For users, not familiar with the site layout, locating pages is not straightforward. In particular, finding previous access applications and current rights tables can be difficult. As we have previously mentioned, a tracker of the status of current Track Access Applications would be very useful. The data portal is very user unfriendly and the data is often incomplete.
(User_LogisticsCo_Both)*

The lack of direct engagement means we use the web site to try and keep up to date with the latest information. This survey found its way to us and was eventually passed to myself to complete. If this had not been the case we would not have known it even existed and had the opportunity to respond, as a major user of the rail services we should be known to the ORR. (User_LogisticsCo_Non Bulk)

9 Conclusions

9 Conclusions

This survey was carried out in order to gauge freight customers' views on how well the industry is performing and to give their perspectives on ORR's policies and actions. It builds on the 2010 survey of customers' views on how well the industry is meeting their needs and identifies priorities for improvements.

The survey published in 2010 contained a number of comments suggesting that in the future, ORR could facilitate improvements in the rail network, such as gauge enhancements, more terminals, streamlined train pathing administration, ensuring freight operators are treated fairly, improving cost transparency and assisting with information on the use of the network. It is important to report that many of these projects are now "work in progress".

Although the number of companies that responded to the survey was relatively low in absolute numbers, in terms of types of company and quantity of freight they represent a good cross-section of the industry and the percentage of responses was up 20% on last time. The companies responding represent over a third of the volume of rail freight lifted in the UK, and it is therefore a good and representative sample of current users

This section provides discussion on some of the key findings from the 2012 survey:

- **Use of modes** - 62% of respondents to the survey indicated that their main mode of transport was road whereas rail was the main mode for 33%. The use of rail and sea freight has increased significantly over the last three years whereas road has only seen a slight increase and air freight has reduced. Like in the last survey the economic climate has depressed the freight market generally, but it appears from respondents that rail has been less affected than road and air. With evidence of increased efficiency in the rail freight sector 68% stated that rail can be competitive at distances less than 150 miles. Indeed the perceived wisdom that rail freight is only an option for longer trunk hauls is changing and there are good examples of positive business cases for short haul movements. As with the 2000, 2003 and 2010 surveys, the majority of respondents said that they review their choice of mode on an on-going basis. This means that in most cases there is an opportunity for change when rail can bring out a new, positive offer.
- **Barriers to using rail (Domestic)** - The most cited barriers to using rail for domestic movements are cost/price (77%), flexible service/recovery strategy, access to the terminals and rail network. There is a general consensus about these barriers across the different market segments responding. Cost was by far the top rated barrier as in the 2010 survey and if anything it is even more significant this time. This is perhaps not surprising in the light of the continuing squeeze on financial margins. A noticeable variance is the large difference between users (40%) and non-users (73%) in the access to mainline network factor. This needs further investigation to establish if there is a real physical barrier on certain routes or whether it is a perceived barrier. Non-users also see service lead times, journey times and punctuality as being much higher barriers than actual rail users.
- **Barriers to using rail (European)** - The most cited barrier to using rail or indeed more rail if an existing customer for European movements is again cost/price (72%). The whole uncertainty of pricing business through the Channel Tunnel is clearly reflected in views obtained by this survey. We had a higher response rate this time from those using the Channel

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Tunnel. Secondary factors that were highlighted by non-users include the difficulty of accessing the rail network for international freight trains, the lack of consistent gauge, location of international terminals and lack of coordination between countries. 2011 saw some positive growth in rail freight through the Channel Tunnel but this has slowed.

- **Price Sensitivity** - Following from the point above about pricing, it was established that if say road freight prices increased by 10% then 35% of respondents said they would use more rail. But if the price of rail increases by 10% then 69% said they would reduce rail usage. This shows the susceptibility of the market to small changes in rail pricing. 98% said they would switch to road rather than water or air freight if they reduced their use of rail freight. Despite all the discussion about other factors such as the environment, pricing is still absolutely critical. The relative elasticities above suggest it is far easier to lose trade to road than to win it so there is no room for complacency.
- **Future Use of Rail** - There is some positive news for rail freight operators as respondents said that even with no increase in the rail service offer, rail users expect their use of rail to increase by 44% in 6 to 10 years. If the rail service is improved to meet all key requirements this rises still further to 49% in 6 to 10 years. The conclusion here is that the rail freight sector can grow especially in certain key markets such as intermodal providing the industry at least matches the current service level.
- **Service Attributes Importance and Performance** - When asked to rate different service quality attributes in terms of importance and performance overall, price was identified as the most important factor, followed by on time/punctual deliveries and access to the mainline network. However, although these attributes are seen by customers as the three most important, they rank relatively low in the list by performance 13th, 4th and 9th respectively. It is variances between expectation and performance delivery that marks attributes out as key areas for service improvements. The findings suggest that punctuality is improving but there is more to do on pricing and ensuring that particularly non-users are helped to gain access to the network.
- **Satisfaction with industry** - Respondents were asked to indicate the level of contact they have had with various freight industry organisations and their level of satisfaction with them. Generally, there was a high level of satisfaction (72% being either very satisfied or quite satisfied) with their rail freight operators but interestingly an even higher level of satisfaction with their road freight operators (83%) and these levels are very similar to the previous survey. The level of satisfaction with port operators has improved to 72% now being satisfied. A really good finding this time was that there were no “end users” dissatisfied with their rail freight operators. But although there is a high level of satisfaction with the rail freight sector it is still 11 percentage points below road freight.
- **Satisfaction with ORR** - The level of respondents having regular contact with ORR was relatively low 13% down from 23% last time. Only 26% of the survey respondents were either very satisfied or quite satisfied with ORR’s performance, down from 46% last time, with a further 61% neither satisfied nor dissatisfied (48% last time). The ORR is not perceived as being actively engaged with a significant proportion of the industry.
- **Knowledge of ORR Activity** - With regard to things that ORR is doing, eight work areas were mentioned and respondents were asked to state how aware they were of this activity. ORR’s role in reviewing Network Rail’s revenue requirements, outputs and expenditure was the most widely known work whereas other projects such as measuring disruption to freight caused by engineering work was least known. The ORR website came in for a set of mixed views, with some finding it reasonably navigable but others found it quite difficult and although it contained a section for passengers lacked an equivalent for freight. Some respondents asked for more

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information on ORR work activity in a simple, digestible form, particularly aimed at freight generators and other “end users”.

- **Competition** - One of the duties of the ORR is to promote competition in the provision of railway services recognising the importance of this in driving down prices and improving service quality. 92% think it is very or fairly important to have a choice of rail freight providers (up from 83% in 2010) and this was the highest ranked answer in the whole survey. Having a sector of at least five FOCs as now gives end users a real choice and this is clearly very important to customers.
- **Engagement** - A final comment which was reported by 64% is the need for the ORR to be more customer-facing and directly engage with a panel of end users of rail freight. There was significant support for open consultations and to engage directly back in 2010. This latter suggestion has not yet been adopted but has even more support this time!

Appendix

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Appendix: Freight Customer Survey 2012 Questionnaire

Section A: Introduction and background

Thank you for agreeing to take part in this survey, commissioned by the Office of Rail Regulation (ORR).

ORR is the independent safety and economic regulator, promoting safety and value in Britain’s railways. It fulfils its responsibilities to keep markets under review through a programme of market studies; this survey is one of these studies.

The survey invites views from both existing and potential rail freight customers and is being conducted in order to provide ORR with information about current levels of customer satisfaction with rail freight. It will create a benchmark against which ORR can measure customer satisfaction in light of developments in rail freight, and enable ORR to assess the extent to which its own policies continue to be relevant to those developments.

This survey will take about 10-20 minutes to complete. If you wish to save the survey midway through, please press the save button. This allows you to complete the survey at another time.

As a thank you for taking part we will donate £5 to the Railway Children charity working with runaway and abandoned children who live in or around the world's railway stations (www.railwaychildren.org.uk).

This survey is being carried out by AECOM, an independent research company. Your input into this survey will be treated as strictly confidential. Please be assured that we operate within the guidelines of the Market Research Society so confidentiality is assured.

If you have any questions, or would like to discuss either the questionnaire or issues that it raises, please contact Tom Fuller at AECOM on +44 (0)208 639 3572 .

A1		
	Name:	
	Job title:	
	Organisation:	
	Town/Postcode	
	Telephone number:	
	Email:	

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A2	Are you: Please ✓ one box only	
	Producer/receiver of goods/services	<input type="checkbox"/> ₁
	Logistics company	<input type="checkbox"/> ₂
	Port operator	<input type="checkbox"/> ₃
	Terminal operator)	<input type="checkbox"/> ₄
	Shipping line	<input type="checkbox"/> ₅

A3	What industry/industries would you describe yourself as being in? (Please ✓ all that apply)					
	Coal	<input type="checkbox"/> ₁	Domestic waste	<input type="checkbox"/> ₉	Electricity (coal powered)	<input type="checkbox"/> ₁₇
	Aggregates	<input type="checkbox"/> ₂	Forest products / timber	<input type="checkbox"/> ₁₀	Electricity (nuclear powered)	<input type="checkbox"/> ₁₈
	Petroleum	<input type="checkbox"/> ₃	Automotive – cars	<input type="checkbox"/> ₁₁	Biomass	<input type="checkbox"/> ₁₈
	Chemicals	<input type="checkbox"/> ₄	Automotive – parts	<input type="checkbox"/> ₁₂	Construction	<input type="checkbox"/> ₁₉
	Metals	<input type="checkbox"/> ₅	Domestic intermodal	<input type="checkbox"/> ₁₃	Manufacturing	<input type="checkbox"/> ₂₀
	Scrap metals	<input type="checkbox"/> ₆	Domestic Swapbody	<input type="checkbox"/> ₁₄	Intermodal via Channel Tunnel	<input type="checkbox"/> ₂₁
	Minerals	<input type="checkbox"/> ₇	Retail - food	<input type="checkbox"/> ₁₅	Intermodal via deep sea container	<input type="checkbox"/> ₂₂
Industrial minerals	<input type="checkbox"/> ₈	Retail – non food	<input type="checkbox"/> ₁₆	Other	<input type="checkbox"/> ₂₃	

A4a	Which of the following modes of transport do you use for your freight movements in the UK? (Please ✓ all that apply)	
	Road	<input type="checkbox"/> ₁
	Rail	<input type="checkbox"/> ₂
	Waterways	<input type="checkbox"/> ₃
	Coastal shipping	<input type="checkbox"/> ₄
	Pipeline	<input type="checkbox"/> ₅
	Air	<input type="checkbox"/> ₆
	Other (please specify)	<input type="checkbox"/> ₇

A4b	Which of the following modes of transport is your <u>main</u> mode for your freight movements in the UK? (Please ✓ one only)	
	Road	<input type="checkbox"/> ₁
	Rail	<input type="checkbox"/> ₂
	Waterways	<input type="checkbox"/> ₃
	Coastal shipping	<input type="checkbox"/> ₄
	Pipeline	<input type="checkbox"/> ₅
	Air	<input type="checkbox"/> ₆
	Other (please specify)	<input type="checkbox"/> ₇

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A5	Please indicate how much freight you are currently transporting within the UK – In Tonnes/containers per year (lifted) (we appreciate that this may be approximate)		
		Per year	Please indicate the types of commodities you transport by the different transport modes: (write in)
	Road	_____Tonnes/containers	
	Rail	_____Tonnes/containers	
	Waterways	_____Tonnes/containers	
	Pipeline	_____Tonnes	
	Air	_____Tonnes/containers	
	Coastal shipping	_____Tonnes/containers	
Other (please specify)	_____Tonnes/containers		

A6a	How frequently do you/your logistics company review your freight transport provision / logistics strategy? (Please ✓ one only for each mode)						
		Ongoing	Twice a year	Every year	Every couple of years	Less often	I do not review
	Road	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅	<input type="checkbox"/> ₆
	Rail	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅	<input type="checkbox"/> ₆
	Water	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅	<input type="checkbox"/> ₆
	Air	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅	<input type="checkbox"/> ₆
	Other (please specify)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅	<input type="checkbox"/> ₆

A6b	Please explain why:

A7	When thinking about your freight requirements to what extent do you agree or disagree with the following statement: ‘I don’t really care which mode is used as long as goods arrive on time, undamaged, at a competitive price’ (Please ✓ one only)				
	Agree Strongly	Agree	Disagree	Disagree Strongly	Don’t Know
	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅

A8	Are you a Rail User ? (Please ✓ one only)	
	Yes	<input type="checkbox"/> ₁
	No but I have in the past	<input type="checkbox"/> ₂ GO TO SECTION F
	No never	<input type="checkbox"/> ₃ GO TO SECTION F
Don’t Know	<input type="checkbox"/> ₄ GO TO SECTION F	

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Section B: CURRENT RAIL USERS –

Transport Modes

B1	Does your company take responsibility for selecting the type of transport mode that you use? <i>(Please ✓ one only)</i>	
	Yes – my company takes responsibility for <u>all</u> types of modes	<input type="checkbox"/> ₁
	My company takes responsibility for <u>some</u> types of modes, but some we delegate to a logistics company	<input type="checkbox"/> ₂
	No – we delegate all of this to a logistics company	<input type="checkbox"/> ₃
	No – our customers influence the choice of modal transport	<input type="checkbox"/> ₄
	Other – please specify	<input type="checkbox"/> ₅

B2a	Over the last three years, how much would you say your use of the following transport modes has changed (relative to each other i.e. share)? <i>(Please ✓ one only for each mode)</i>						
	Has Share of	Increased a lot	Increased a little	About the same	Decreased a little	Decreased a lot	Not Applicable
	Road	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅	<input type="checkbox"/> ₆
	Rail	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅	<input type="checkbox"/> ₆
	Air	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅	<input type="checkbox"/> ₆
	Sea	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅	<input type="checkbox"/> ₆

B2b	If Question B2a=increased/decreased: Please give the key reasons behind any increases / decreases in the use of modes.

B3	Approximately what percentage of your freight is carried over the following distances by each mode (each mode should sum to 100%)?		
		Road	Rail
	Less than 50 miles (80km)	___%	___%
	50-150 miles (81 – 240km)	___%	___%
	Over 150miles (241km)	___%	___%
<i>Total</i>	<i>100%</i>	<i>100%</i>	

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B4a	At what <u>mileage</u> do you think rail freight starts to be competitive (against other modes)? (Please ✓ one only)		
	0-25 miles	<input type="checkbox"/>	1
	26-50 miles	<input type="checkbox"/>	2
	51-100 miles	<input type="checkbox"/>	3
	101-150 miles	<input type="checkbox"/>	4
	151-200 miles	<input type="checkbox"/>	5
	201-250 miles	<input type="checkbox"/>	6
	>251 miles	<input type="checkbox"/>	7

B4b	Please explain why:

B5a	a) Which of the following factors do you consider to be the main barriers to changing mode of transport from another mode to rail? (please tick all those you consider to be a factor)					
	Access to mainline network	<input type="checkbox"/>	1	Overall Service Quality	<input type="checkbox"/>	13
	Access to terminals	<input type="checkbox"/>	2	Physical Nature of Goods	<input type="checkbox"/>	14
	Cost/Price	<input type="checkbox"/>	3	Rail Freight Experience/Past Track Record	<input type="checkbox"/>	15
	Environmental Considerations	<input type="checkbox"/>	4	Security of goods in transit	<input type="checkbox"/>	16
	Equipment quality	<input type="checkbox"/>	5	Service Quality – Journey Time	<input type="checkbox"/>	17
	Flexible Service/Recovery Strategy	<input type="checkbox"/>	6	Service Quality – Lead Times	<input type="checkbox"/>	18
	Information/Responsiveness to customer needs	<input type="checkbox"/>	7	Service Quality – On Time/Punctual Delivery	<input type="checkbox"/>	19
	Location of Logistics Hubs	<input type="checkbox"/>	8	Track and trace	<input type="checkbox"/>	20
	Other	<input type="checkbox"/>		Specify _____		

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ONLY USE THOSE SELECTED IN QB5a

B5b	b) Which of these factors do you think is the most important barrier?				
	<i>Please ✓ one box only</i>				
	Access to mainline network	<input type="checkbox"/> ₁		Overall Service Quality	<input type="checkbox"/> ₁₃
	Access to terminals	<input type="checkbox"/> ₂		Physical Nature of Goods	<input type="checkbox"/> ₁₄
	Cost/Price	<input type="checkbox"/> ₃		Rail Freight Experience/Past Track Record	<input type="checkbox"/> ₁₅
	Environmental Considerations	<input type="checkbox"/> ₄		Security of goods in transit	<input type="checkbox"/> ₁₆
	Equipment quality	<input type="checkbox"/> ₅		Service Quality – Journey Time	<input type="checkbox"/> ₁₇
	Flexible Service/Recovery Strategy	<input type="checkbox"/> ₆		Service Quality – Lead Times	<input type="checkbox"/> ₁₈
	Information/Responsiveness to customer needs	<input type="checkbox"/> ₇		Service Quality – On Time/Punctual Delivery	<input type="checkbox"/> ₁₉
	Location of Logistics Hubs	<input type="checkbox"/> ₈		Track and trace	<input type="checkbox"/> ₂₀
	Other	<input type="checkbox"/> ₈	Please Specify _____		

B6a	If the price of your main alternative mode (to rail) movements <u>increased</u> by the following amounts, how likely would you be to change to rail: (Please ✓ one only for each change)					
	Changes in price of road transport	Very likely	Quite likely	May not consider change	Quite unlikely	Very unlikely
	+20%	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
	+15%	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
	+10%	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
	+5%	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
	No change	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅

B7a	If the price of your <u>rail</u> transport movements <u>increased</u> by the following amounts, how likely would you be to change your mode choice from rail: (Please ✓ one only for each change)					
	Changes in price of rail transport	Very likely	Quite likely	May not consider change	Quite unlikely	Very unlikely
	+20%	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
	+15%	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
	+10%	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
	+5%	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
	No change	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅

Capabilities on project:
Transportation

B8a	Which mode would you be most likely to switch to if you were to reduce the freight you transport by rail? (Please ✓ one only)		
	Road	<input type="checkbox"/> ₁	
	Waterways	<input type="checkbox"/> ₂	
	Air	<input type="checkbox"/> ₃	
	Other (please specify)	<input type="checkbox"/> ₄	

B8b	Please explain why:

B9a	Assuming that there are no significant changes in the overall service provided by rail what percentage of your transport movements would you expect to move by rail in the future?	
		Please write in percentage
	Next 12 months	____ %
	1-2 years	____ %
	3-5 years	____ %
	6-10 years	____ %

B9b	Please explain why:

B10a	If the overall service provided by rail is improved to meet all of your key requirements, what percentage of your total transport movements would you consider moving by rail, in the future?	
		Please write in percentage
	Next 12 months	____ %
	1-2 years	____ %
	3-5 years	____ %
	6-10 years	____ %

B10b	Please explain why:

Capabilities on project:
Transportation

Section C International

C1	Do you transport goods into/out of the UK from or via continental Europe? <i>(Please ✓ one box only)</i>			
	Yes	<input type="checkbox"/> ₁	<i>Continue</i>	No <input type="checkbox"/> ₂ <i>GOTO to D1</i>

C2	What is the main mode of transport that you use? <i>(Please ✓ one only)</i>	
	Sea (Intercontinental)	<input type="checkbox"/> ₁
	Sea (European/Coastal)	<input type="checkbox"/> ₂
	Air	<input type="checkbox"/> ₃
	Rail freight through the Channel Tunnel	<input type="checkbox"/> ₄
	Road and a ferry crossing	<input type="checkbox"/> ₅
	Road and use of the 'Le Shuttle' service	<input type="checkbox"/> ₆

C3a	What factors prevent you from using rail for traffic to or from continental Europe? <i>(please tick all those you consider to be a factor)</i>			
	Access to mainline network	<input type="checkbox"/> ₁	Overall Service Quality	<input type="checkbox"/> ₁₃
	Access to terminals	<input type="checkbox"/> ₂	Physical Nature of Goods	<input type="checkbox"/> ₁₄
	Cost/Price	<input type="checkbox"/> ₃	Rail Freight Experience/Past Track Record	<input type="checkbox"/> ₁₅
	Environmental Considerations	<input type="checkbox"/> ₄	Security of goods in transit	<input type="checkbox"/> ₁₆
	Equipment quality	<input type="checkbox"/> ₅	Service Quality – Journey Time	<input type="checkbox"/> ₁₇
	Flexible Service/Recovery Strategy	<input type="checkbox"/> ₆	Service Quality – Lead Times	<input type="checkbox"/> ₁₈
	Information/Responsiveness to customer needs	<input type="checkbox"/> ₇	Service Quality – On Time/Punctual Delivery	<input type="checkbox"/> ₁₉
	Location of Logistics Hubs	<input type="checkbox"/> ₈	Track and trace	<input type="checkbox"/> ₂₀
	Other	<input type="checkbox"/> ₈	Please Specify _____	

Capabilities on project:
Transportation

ONLY use THOSE SELECTED IN QC3

C3b	Which of these factors do you think is the most important barrier? <i>Please ✓ one box only</i>				
	Access to mainline network	<input type="checkbox"/> ₁		Overall Service Quality	<input type="checkbox"/> ₁₃
	Access to terminals	<input type="checkbox"/> ₂		Physical Nature of Goods	<input type="checkbox"/> ₁₄
	Cost/Price	<input type="checkbox"/> ₃		Rail Freight Experience/Past Track Record	<input type="checkbox"/> ₁₅
	Environmental Considerations	<input type="checkbox"/> ₄		Security of goods in transit	<input type="checkbox"/> ₁₆
	Equipment quality	<input type="checkbox"/> ₅		Service Quality – Journey Time	<input type="checkbox"/> ₁₇
	Flexible Service/Recovery Strategy	<input type="checkbox"/> ₆		Service Quality – Lead Times	<input type="checkbox"/> ₁₈
	Information/Responsiveness to customer needs	<input type="checkbox"/> ₇		Service Quality – On Time/Punctual Delivery	<input type="checkbox"/> ₁₉
	Location of Logistics Hubs	<input type="checkbox"/> ₈		Track and trace	<input type="checkbox"/> ₂₀
	Other	<input type="checkbox"/> ₈		Please Specify _____	

C4	Please add any further comments:

Capabilities on project:
Transportation

Section D UK Industry performance

D1	<p>a) When choosing a UK transport mode, how important are each of the following factors? Please give an importance score between 1 and 10 for each of these factors, where 10 means extremely important, and 1 means extremely unimportant.</p> <p>b) And now, please give a performance score for the Rail Freight Industry for each of the following factors, between 1 and 10, where 10 is extremely good, and 1 is extremely poor.</p>		
		<p>a) Importance of factors Please give a score from 1 to 10 for each factor, where 10 means extremely important, and 1 means extremely unimportant</p>	<p>b) Performance of rail freight industry Please give a score from 1 to 10 for each factor, where 10 is extremely good, and 1 is extremely poor</p>
	Access to mainline network		
	Access to terminals		
	Cost/Price		
	Environmental Considerations		
	Equipment quality		
	Flexible Service/Recovery Strategy		
	Information/Responsiveness to customer needs		
	Location of Logistics Hubs		
	Overall Service Quality		
	Physical Nature of Goods		
	Rail Freight Experience/Past Track Record		
	Security of goods in transit		
	Service Quality – Journey Time		
	Service Quality – Lead Times		
	Service Quality – On Time/Punctual Delivery		
Track and trace			
Other Please specify _____			

Capabilities on project:
Transportation

D2	In terms of the UK Rail Freight Industry, which of these factors have the biggest negative gap between the service delivered (i.e. performance) and your expectations (e.g. importance)? And Please explain why:

D4	In the last twelve months or so, how much contact have you had with each of the following organisations / types of organisation in connection with issues related to the transport of freight?			
		Regular contact	Single / occasional contact	No contact at all
	DB Schenker Rail (Rail Freight Operator)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
	Direct Rail Services(Rail Freight Operator)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
	Freightliner Ltd(Rail Freight Operator)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
	Freightliner Heavy Haul(Rail Freight Operator)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
	GB Railfreight Ltd (GBRF) (Rail Freight Operator)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
	Colas (Rail Freight Operator)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
	Aggregators	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
	Freight forwarders	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
	Terminal operators	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
	Road based logistics companies	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
	Port operators	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
	Trade associations (e.g. RFG, FTA, BIFA)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
	Central Government (e.g. DfT, Transport Scotland)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
	ORR	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
	Network Rail (NR)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃

Capabilities on project:
Transportation

D5 For those organisations / types of organisation that you have had either regular or single / occasional contact with, please indicate how <u>satisfied</u> (overall) you have been with their performance: * For these questions, please answer in relation to the company with which you currently place the most freight business					
	Very satisfied	Quite satisfied	Neither satisfied nor dissatisfied	Quite dissatisfied	Very dissatisfied
Rail Freight Operator	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
Aggregators*	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
Freight forwarders*	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
Terminal operators*	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
Road based logistics companies*	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
Port operators	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
Trade associations (e.g. RFG, FTA, BIFA)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
Central Government	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
ORR	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
Network Rail (NR)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
The rail freight industry overall	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
The road freight industry overall	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅

D6 Please add any further comments in relation to these performance ratings:	

Capabilities on project:
Transportation

Section E ORR's role and performance

ORR is committed to ensuring, as far as its statutory and regulatory functions allow, an environment whereby rail freight interests are protected and a market whereby barriers to entry are reduced. It is working to ensure that rail freight continues to thrive and grow, working collaboratively with industry partners to understand better the commercial sensitivities of this sector, fully aware that the sector is truly competitive and subject to full market pressures.

ORR has recently been working on a number of initiatives in relation to rail freight, including:

- improving the use and management of rail network capacity and making it more responsive to end users' needs, for example by including the identification of strategic paths in the timetabling process and improving the mechanisms for un-used capacity to transfer between freight operators;
- facilitating competitive markets, for example by working with freight stakeholders to increase the transparency and effectiveness of the arrangements for access to freight sites and the transfer of site leases;
- holding Network Rail to account, for example by taking action over freight performance; and
- enabling freight customers to hold their own track access rights.

Further details of ORR's work are available on its website: www.rail-reg.gov.uk

The findings from this survey will feed into ORR's future workplans in relation to the rail freight sector.

Capabilities on project:
Transportation

These bullet points are info points for QE4:

- Introducing a freight customer model track access contract providing freight customers with control over the exercise of their own access rights associated with the movement of their goods;
- Working with industry to develop a process where Network Rail can, through the timetable development process, identify for stakeholders strategic capacity for (i) new services or (ii) to identify potential timetable developments to make better use of overall capacity;
- Revision of Part J of the Network Code to improve and speed up the mechanisms intended to ensure that rights to capacity which are not being used – or are being significantly under-used – can be removed from the train operator concerned and made available to others through changes to track access rights;
- Imposing a freight performance order requiring Network Rail to establish a 'recovery board' for freight performance at which freight operators can call on the company to take specific measures to tackle performance for freight services;
- Developing a Possession Disruption Index for freight which measures the extent of planned disruption caused by engineering works on the network;
- Improving access to freight sites by increasing the transparency and the effectiveness of access requirements and lease transfers;
- Determining Network Rail's outputs and expenditure for England and Wales, and for Scotland through a 'periodic review' - an assessment of what Network Rail must achieve in 2014-2019, the money it needs to do so, and the incentives needed to encourage delivery and outperformance, and how it should work more closely with train operators, suppliers and others to reduce costs and deliver more for customers;
- Implementing EU legislation regarding the certification of maintainers of freight wagons, whereby each 'entity in charge of maintenance' has to ensure that, through a formal system of maintenance, a vehicle for which is it responsible is safe to run on the mainline railway.

E1	In the last twelve months or so, what contact have you had with ORR in connection with issues related to the transport of rail freight? I have contacted ORR the following number of times (Please ✓ one only):	
	0 Times	<input type="checkbox"/> ₁ GOTO E6
	1 times	<input type="checkbox"/> ₂
	2 times	<input type="checkbox"/> ₃
	3 times	<input type="checkbox"/> ₄
	4 or more times	<input type="checkbox"/> ₅

E2	Overall, how satisfied are you with ORR's performance with regard to meeting the needs of rail freight customers? (Please ✓ one only)	
	Very satisfied	<input type="checkbox"/> ₁
	Fairly satisfied	<input type="checkbox"/> ₂
	Neither satisfied nor dissatisfied	<input type="checkbox"/> ₃
	Fairly dissatisfied	<input type="checkbox"/> ₄
	Very dissatisfied	<input type="checkbox"/> ₅
	Don't know	<input type="checkbox"/> ₆

Capabilities on project:
Transportation

E3	What do you think ORR has done well and what do you think it could do better?

E4	How aware are you of ORR's work in the following areas: If you need further information about each press the information button X					
		<i>Info Button</i>	<i>Have Contributed to this work (1)</i>	<i>Have Good awareness of this work (2)</i>	<i>Have Limited awareness of this work (3)</i>	<i>Not heard of this work(4)</i>
	Introducing a model track access contract for Freight customers	X	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄
	Developing a process for identifying options, during timetable development, to make better use of overall network capacity	X	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄
	Improving the mechanisms for making un-used or under-used network capacity available to other freight operators	X	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄
	Requiring Network Rail to set up a 'recovery board' to improve freight performance	X	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄
	Measuring disruption to freight caused by engineering work	X	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄
	Improving transparency and consistency of arrangements for access to freight sites and the transfer of site leases	X	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄
	Conducting a review of Network Rail's revenue requirements, outputs and expenditure for 2014-19	X	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄
	Certification of entities responsible for maintaining freight wagons	X	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄

E5	If response to any of E4 questions= 1, 2 or 3
	Please give details of how the workstreams mentioned above, or any other contact with ORR, has or is likely to have an impact on your business.

Capabilities on project:
Transportation

E6	One of ORR's duties is to promote competition in the provision of railway services. How important is it to you to have a choice of rail freight service providers? (Please ✓ one only)	
	Very important	<input type="checkbox"/> ₁
	Fairly important	<input type="checkbox"/> ₂
	Neither important nor unimportant	<input type="checkbox"/> ₃
	Fairly unimportant	<input type="checkbox"/> ₄
	Very unimportant	<input type="checkbox"/> ₅

E7	What benefits has competition delivered for your business?

E8	What do you think is the most appropriate means of testing ORR's policies against the freight customer perspective? Please ✓ all that apply	
	Published open consultations	<input type="checkbox"/> ₁
	Direct engagement with a panel of customers	<input type="checkbox"/> ₂
	Surveys of customer satisfaction to test effect	<input type="checkbox"/> ₃
	Other (please specify)	<input type="checkbox"/> ₄

E9	Do you use ORR's website? (Please ✓ one only)	
	Yes	<input type="checkbox"/> ₁
	No	<input type="checkbox"/> ₂ GOTO G1

E10	How easily do you find the information you need and do you have any suggestions for improvements to the website?

GOTO G1

Capabilities on project:
Transportation

Section F: NON USER SECTION

Domestic Freight

F1a	a) Which of the following factors do you consider to be the main barriers to changing mode of transport from another mode to rail? (please tick all those you consider to be a factor)			
	Access to mainline network	<input type="checkbox"/> ₁	Overall Service Quality	<input type="checkbox"/> ₁₃
	Access to terminals	<input type="checkbox"/> ₂	Physical Nature of Goods	<input type="checkbox"/> ₁₄
	Cost/Price	<input type="checkbox"/> ₃	Rail Freight Experience/Past Track Record	<input type="checkbox"/> ₁₅
	Environmental Considerations	<input type="checkbox"/> ₄	Security of goods in transit	<input type="checkbox"/> ₁₆
	Equipment quality	<input type="checkbox"/> ₅	Service Quality – Journey Time	<input type="checkbox"/> ₁₇
	Flexible Service/Recovery Strategy	<input type="checkbox"/> ₆	Service Quality – Lead Times	<input type="checkbox"/> ₁₈
	Information/Responsiveness to customer needs	<input type="checkbox"/> ₇	Service Quality – On Time/Punctual Delivery	<input type="checkbox"/> ₁₉
	Location of Logistics Hubs	<input type="checkbox"/> ₈	Track and trace	<input type="checkbox"/> ₂₀
	Other <input type="checkbox"/> ₈	Please Specify _____		

ONLY USE THOSE IDENTIFIED IN F1a

F1b	b) Which of these factors do you think is the most important barrier? <i>Please ✓ one box only</i>			
	Access to mainline network	<input type="checkbox"/> ₁	Overall Service Quality	<input type="checkbox"/> ₁₃
	Access to terminals	<input type="checkbox"/> ₂	Physical Nature of Goods	<input type="checkbox"/> ₁₄
	Cost/Price	<input type="checkbox"/> ₃	Rail Freight Experience/Past Track Record	<input type="checkbox"/> ₁₅
	Environmental Considerations	<input type="checkbox"/> ₄	Security of goods in transit	<input type="checkbox"/> ₁₆
	Equipment quality	<input type="checkbox"/> ₅	Service Quality – Journey Time	<input type="checkbox"/> ₁₇
	Flexible Service/Recovery Strategy	<input type="checkbox"/> ₆	Service Quality – Lead Times	<input type="checkbox"/> ₁₈
	Information/Responsiveness to customer needs	<input type="checkbox"/> ₇	Service Quality – On Time/Punctual Delivery	<input type="checkbox"/> ₁₉
	Location of Logistics Hubs	<input type="checkbox"/> ₈	Track and trace	<input type="checkbox"/> ₂₀
	Other <input type="checkbox"/> ₈	Please Specify _____		

Capabilities on project:
Transportation

F2	If the price of your main alternative mode (to rail) movements increased by the following amounts, how likely would you be to change to rail: (Please ✓ one only for each change)					
	Changes in price of road transport	Very likely	Quite likely	May not consider change	Quite unlikely	Very unlikely
	+20%	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
	+15%	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
	+10%	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
	+5%	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
	No change	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅

F3	If rail met all of your key requirements, what percentage of your total transport movements would you consider moving by rail, in the future?	
		Please write in percentage
	Next 12 months	____%
	1-2 years	____%
	3-5 years	____%
	6-10 years	____%

Capabilities on project:
Transportation

Industry performance

F4	<p>a) When choosing a UK transport mode, how <u>important</u> are each of the following factors? Please give an importance score between 1 and 10 for <u>each</u> of these factors, where 10 means extremely important, and 1 means extremely unimportant.</p> <p>b) And now, please give your perception of <u>performance</u> score for the Rail Freight Industry for each of the following factors, between 1 and 10, where 10 is extremely good, and 1 is extremely poor. If you really don't know please enter 0, but please give your best estimate if possible.</p>		
		<p>a) Importance of factors Please give a score from 1 to 10 for each factor, where 10 means extremely important, and 1 means extremely unimportant</p>	<p>b) Performance of rail freight industry Please give a score from 1 to 10 for each factor, where 10 is extremely good, and 1 is extremely poor</p>
	Access to mainline network		
	Access to terminals		
	Cost/Price		
	Environmental Considerations		
	Equipment quality		
	Flexible Service/Recovery Strategy		
	Information/Responsiveness to customer needs		
	Location of Logistics Hubs		
	Overall Service Quality		
	Physical Nature of Goods		
	Rail Freight Experience/Past Track Record		
	Security of goods in transit		
	Service Quality – Journey Time		
	Service Quality – Lead Times		
	Service Quality – On Time/Punctual Delivery		
Track and trace			
Other –Please specify _____			

Capabilities on project:
Transportation

International Freight

F5	Do you transport goods into/out of the UK from or via continental Europe? <i>(Please ✓ one box only)</i>				
	Yes	<input type="checkbox"/> ₁	<i>Continue</i>	No	<input type="checkbox"/> ₂ <i>GOTO G1</i>

F6	What is the main mode of transport that you use? <i>(Please ✓ one only)</i>	
	Sea (Intercontinental)	<input type="checkbox"/> ₁
	Sea (European/Coastal)	<input type="checkbox"/> ₂
	Air	<input type="checkbox"/> ₃
	Road and a ferry crossing	<input type="checkbox"/> ₄
	Road and use of the Le Shuttle service	<input type="checkbox"/> ₅

F7a	What factors prevent you from using rail for traffic to or from continental Europe? <i>(please tick all those you consider to be a factor)</i>				
	Access to mainline network	<input type="checkbox"/> ₁		Overall Service Quality	<input type="checkbox"/> ₁₃
	Access to terminals	<input type="checkbox"/> ₂		Physical Nature of Goods	<input type="checkbox"/> ₁₄
	Cost/Price	<input type="checkbox"/> ₃		Rail Freight Experience/Past Track Record	<input type="checkbox"/> ₁₅
	Environmental Considerations	<input type="checkbox"/> ₄		Security of goods in transit	<input type="checkbox"/> ₁₆
	Equipment quality	<input type="checkbox"/> ₅		Service Quality – Journey Time	<input type="checkbox"/> ₁₇
	Flexible Service/Recovery Strategy	<input type="checkbox"/> ₆		Service Quality – Lead Times	<input type="checkbox"/> ₁₈
	Information/Responsiveness to customer needs	<input type="checkbox"/> ₇		Service Quality – On Time/Punctual Delivery	<input type="checkbox"/> ₁₉
	Location of Logistics Hubs	<input type="checkbox"/> ₈		Track and trace	<input type="checkbox"/> ₂₀
	Other	<input type="checkbox"/> ₈		Please Specify _____	

Capabilities on project:
Transportation

ONLY use THOSE IDENTIFIED IN F8a

F7b	Which of these factors do you think is the most important barrier? <i>Please ✓ one box only</i>				
	Access to mainline network	<input type="checkbox"/> ₁		Overall Service Quality	<input type="checkbox"/> ₁₃
	Access to terminals	<input type="checkbox"/> ₂		Physical Nature of Goods	<input type="checkbox"/> ₁₄
	Cost/Price	<input type="checkbox"/> ₃		Rail Freight Experience/Past Track Record	<input type="checkbox"/> ₁₅
	Environmental Considerations	<input type="checkbox"/> ₄		Security of goods in transit	<input type="checkbox"/> ₁₆
	Equipment quality	<input type="checkbox"/> ₅		Service Quality – Journey Time	<input type="checkbox"/> ₁₇
	Flexible Service/Recovery Strategy	<input type="checkbox"/> ₆		Service Quality – Lead Times	<input type="checkbox"/> ₁₈
	Information/Responsiveness to customer needs	<input type="checkbox"/> ₇		Service Quality – On Time/Punctual Delivery	<input type="checkbox"/> ₁₉
	Location of Logistics Hubs	<input type="checkbox"/> ₈		Track and trace	<input type="checkbox"/> ₂₀
	Other	<input type="checkbox"/> ₈		Please Specify _____	

Capabilities on project:
Transportation

Section G: Confidentiality

G1	Would you be willing to take part in a similar survey for ORR in the future? <i>(Please ✓)</i>		
	Yes	<input type="checkbox"/>	₁
	No	<input type="checkbox"/>	₂

G2	Your participation in the survey and the information you have given will be treated strictly in accordance with the following instructions. Please ✓ as appropriate		
	I will allow the questionnaire to be seen by the ORR	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	I will allow my organisation to be listed in the report as a survey participant	Yes <input type="checkbox"/>	No <input type="checkbox"/>

G3	The findings from this survey will be published on our website. As a participant in the study, we would be pleased to send you a copy via email as soon as it is published. Would you like a copy of the report?		
	Yes	<input type="checkbox"/>	₁
	No	<input type="checkbox"/>	₂

Thank you for completing this survey. Your views will help ORR to ensure its regulation is responsive to market developments