

# Conservative Transport Group

## A Special Interest Group of the Conservative Party

Founded in 1992 by Dr Robert Kinghorn

### Newsletter: Conference Sep/Oct 2024

#### **CHAIRMAN'S CHAT**

2024 has been a difficult sort of year for the Transport Group. Of the nine months of the year to the time of writing two months have been devoted to the general election campaign and putting together a government. Since the new government was formed the Conservative opposition has been busy putting together a shadow government. Indeed the Conservative Shadow government is expected to be created sometime towards the end of the year.

Despite the spotlight being off transport, the Conservative Transport Group has been meeting regularly on-line.

The Transport group also has been researching transport issues and putting forward solutions to transport problems too, this year, in fact the Transport group which only recently the new Labour government has latched onto. One example, the groups thinking was to put a high priority on house building in the UK, and also to put a high priority on transport policy linked to housing policy.

For the future the Labour government has plans for the State take over of the UK railways and for a Bus revolution. However we have had no indication of the steps the Labour government has in mind to implement its plans.

The Transport group expects to be arranging visits to airports and Car manufacturing facilities in the near future. We now have a good number of people who have expressed an interest in these trips.

Tim Rouse

#### **ROAD NEWS**

##### **OPINION**

It is generally accepted that climate change is upon us and that steps need to be taken to limit global warming (but where did it go this summer?!). But attempts to manipulate the market through production quotas and price controls ignore history and are doomed to fail. We also need to proceed at an affordable pace – all the more likely to succeed as a consequence. It was sensible for Rishi Sunak to delay the ban on petrol car sales until 2035. Labour, however, has decided to revert to 2030. Ed Miliband knows best! Rishi Sunak's decision was taken because it was increasingly clear that neither technology nor infrastructure were ready for an accelerated switch to electric vehicles. There are far too few charging points on Britain's main roads. Car batteries are still "maturing" and often lack the range of petrol or

hybrid vehicles (worrying where charging points are scarce). Car battery manufacturing in Britain is still in its infancy.

It is no wonder buyers are reluctant to switch to EVs. It is a mistake to insist that 22% of all cars sold this year must be electric and that this should rise to 28% in 2025, with steeper thresholds afterwards. For every new petrol car that exceeds this quota manufacturers must pay £15,000.

This is just an attempt to rig the market (in the name of the environment).

The result is that retail demand for new vehicles, especially EV, is weak whilst prices are rising sharply in the second hand market for petrol cars.

Toying with command economics does not work. Markets work best when free (and fair). Supply and Demand is still the best regulator of commerce.

Government should be encouraging desirable climate change/green objectives with suitable financial incentives, e.g., not seeking to compel what it cannot control.

### **NEW BUSES BILL**

The bus is the most used form of public transport, though demand for its services has been falling nationally for many years. The new Labour government intends to give local councils more powers (putting them on a par with directly elected mayors in the major conurbations) to decide which bus services should run within their areas.

Currently, outside London and Manchester, bus services are operated commercially by the major bus companies who decide fares, timetables etc.

In the major conurbations transport authorities have long had powers to fund socially desirable services they would like to see operate in addition. Whether they have had adequate resources to do so is a moot point.

### **TAXING TIMES**

Labour's first budget, due in October, is expected to raise taxes – not VAT, Income Tax or National Insurance, of course, but fuel duty has not been ruled put. Restoring the fuel duty regulator (and not just Rishi's 5p Covid cut) must be a good prospect.

### **SELF-DRIVING CARS...**

...have been given the green light to operate on UK roads within two years after the passing of the Automated Vehicles Act earlier in the year. Former Transport Secretary Mark Harper described the passing of the bill as a "milestone moment".

Self-driving cars will not require a "safety driver". Motorists can be passengers in their own cars. When a vehicle is in self-driving mode any passenger will not be responsible for its performance. Instead the burden of responsibility will lie on corporations such as insurance providers, software developers or vehicle manufacturers. The owner will retain responsibility for road worthiness and obtaining insurance.

### **STOPPED IN BEIJING**

Britain's roads could be gridlocked by Beijing remotely stopping Chinese made vehicles, MPs have been told.

Electric vehicles could be controlled, adjusted and ultimately even stopped – all the more so if relations deteriorated sharply between the two countries.

China is home to the world's best-selling maker of electric cars, BYD, which outsold Tesla by 4,000 vehicles in the final quarter of last year. Sir Richard Dearlove, ex MI6 head, has proposed banning Chinese electric vehicles from sensitive national infrastructure sites.

## **HYDROGEN REVOLUTION FOR BUSES?**

Hydrogen has been tipped as a clean fuel of the future. Hydrogen vehicles are quick to refuel and emit nothing but water.

Work on hydrogen fuelled buses has revived the fortunes of Northern Ireland based manufacturers Wrightbus. Operator Go-Ahead has a fleet of 20 such hydrogen buses operating near Gatwick Airport (subsidised from public funds). Hydrogen is reckoned to be a better prospect than batteries because it is claimed to be cleaner, takes less time to recharge and can allow operations over a greater range.

### **and cars...?**

BMW expect to deliver its first volume produced hydrogen powered cars in 2028.

## **"AMBITIOUS POLICIES NEEDED"**

By 2035 every new car, van or light truck sold in Britain will be zero emission. The UK has a legal commitment to achieve net zero by 2050. Mike Hawes, chief executive of the Society of Motor Manufacturers and Traders (SMMT) argues that road transport, as the country's biggest carbon emitter, must lead the change.

The 40 million vehicles in the UK stay on the road for about 15 years, he says, pointing to the logic of the 2035 end-of-sale date for new petrol and diesel cars. Each year, therefore, an increasing proportion of new cars and van sales must be zero emission.

But, he points out, mandates don't make markets. Fleet renewal depends on cost, convenience and choice. There is no shortage of electric (EV) models but zero emission vehicles are inherently more expensive with batteries roughly treble the cost of an engine. Industry is driving down these costs, Mike Hawes argues, but more is needed.

There are good incentives for businesses and fleets to go electric but private retail buyers have no similar support and are holding off and cars – whatever their emissions – are all subject to 20% VAT. Why not (temporarily) halve VAT on new EVs, suggests the SMMT chief? Saving £4,000 on a new car could put 270,000 more electric (rather than petrol or diesel) cars on the road, cutting CO2. His other suggestions include cancelling the vehicle excise duty due on EVs from next April and reducing VAT on public charging from 20 to 5% to match home charging.

## **TESLA SCRAPPED**

An indication that more needs to be done if EV targets are to be achieved was TESLA's late spring announcement that it was abandoning its long promised plan to offer motorists an inexpensive electric car investors had been counting on to drive expansion in the mass market.

## **ELECTRIC CAR GLUT**

Vast global overproduction of electric cars at a time of stalling consumer demand is likely to result in millions of zero-emission vehicles being left unsold over the next two years, hastening price wars, "The Times" reported earlier in the year.

## **BIGGER CARS**

As we all know, cars are getting bigger. Ford Fiestas are now 174 cms wide (155cms when introduced); Vauxhall Corsas 177(v 153); Nissan Qashqais up to 184 (178) and Minis are anything but (176 v 142 cms). The VW Golf is now 179 cms wide compared with 161 in 1974. No wonder drivers don't park

overnight in their garages any more but use the public highway instead. Is it all down to safety features (and bulky batteries)?

### **ELECTRIC CAR SALES – UP OR DOWN?**

The debate about the state of the electric car market in Britain is becoming polarised. For some the UK has become one of the most vibrant zero-emission vehicle markets in Europe. Others see only dislocated policy with the private buyer locked out by significant affordability issues. A rebound in electric vehicle sales and the continuing popularity of plug-in hybrids has helped keep UK new car registrations rising for almost two years, June slowdown apart.

### **BRAKE APPLIED TO ELECTRIC CARS**

Toyota, the world's largest car maker, is set to slash its targets for electric car production by a third according to reports in Tokyo.

Employees at VW are being warned to accept potentially thousands of job losses because of a decline in car sales. EV sales in its German home market are largely responsible.

Chinese-owned Swedish car maker VOLVO has scrapped its plan to become an all-electric car maker by 2030.

In the UK, VW-owned Bentley has reined back its earlier commitment to be all electric by 2030.

Britain is Europe's second largest market for electric cars but latest sales figures show them accounting for only 17% of new registrations.

Ford and Vauxhall are finding that EV car sales are problematic too.

### **TRANSPORT FOCUS BUS SURVEYS**

Transport Focus has recently carried out bus user surveys within the UK.

In Scotland bus passengers are 86% satisfied with their bus journeys, though critical of punctuality and how long they had to wait for their bus.

Strathclyde passengers were the most satisfied; Aberdeen(shire) passengers the least satisfied and with varying views of the value received for their fares.

In England there was 80% satisfaction with the last journey made. East Riding of Yorkshire and Bournemouth/Christchurch/Poole were the most satisfied but municipal West Yorkshire the least. Satisfaction was highest with the bus driver and lowest for value for money.

Maximum bus fares for single journeys have been set at £2 for some time.

### **NEED FOR BETTER SIGNAGE**

Transport Focus has called upon National Highways to do more to improve road signing on major roads, including motorways, in response to concerns about an increase of wrong side dual carriageway driving

### **VAN MARKET ENDS SUMMER WITH RETURN TO GROWTH**

New light commercial registrations grew 1.7% in August to 16,575 units in the best performance for the month since 2021 reports the SMMT. Demand continues across all van segments, while 4x4s and pick-ups record declines. EV uptake has declined for the fifth month this year dropping 30% and highlighting the need to bolster confidence and maintain fiscal support and roll-out for van-suitable charging.

Commercial vehicle production was 70% up in the best July since 2008 with sales well up at both home and abroad (especially the EU). The year to year

output is up a more modest 7% with figures comparing favourably with pre-Covid levels,

### **TECHNOLOGY AND TRAINING CAN PREVENT NEW BRIDGE COLLISIONS**

Between 1500 and 2000 accidents in which buses and trucks collide with new bridges happen every year in the UK costing £millions in repairs, traffic delays, train derailments and significant vehicle repair costs and service interruptions. Network Rail estimate it costs them £23m each year for inspections, bridge repairs and compensation for delayed trains.

New technology is being used to help. The Greenroad/ Stagecoach partnership has rolled out lower bridge detection functionality across a nationwide fleet of double deckers (4000+ vehicles in a £4m project). It uses GPS vehicle location data/mapping services to alert drivers to nearby low bridges. The VVE Low Bridge Alerting System (LBAS) is being used by XPO Logistics from its Bury St. Edmonds depot. Truck drivers are warned in their cab of nearby low bridges on their route.

Money, and more importantly bridges, are being saved.

### **SUPPORTING GOOD CAUSES**

Hauliers, vehicle manufacturers and others in the logistics sector have long assisted local and national charities close to the hearts of their staff and families. One unique way is to use the (side) bodywork of trucks, trailers and vans to publicise the charitable organisations, another to hold fundraising events.

Paletine Logistics owned ABE CEDBURY is backing a financial campaign to help keep the Midlands Air Ambulance charity pre-hospital emergency service in the air. Covils and Lintels has raised £21,000 for Mates in Mind 2023. MAN Truck and Bus has supported the Alzheimers Society in 2023. Trailer rental/leasing specialists TIP organised a team of cyclists to support the Douglas Macmillan hospice. These examples merely represent the tip of the iceberg,

### **ARCHWAY TRAVEL TAKES ENVIRO 2005 IN RENTAL DEAL**

Fleetwood based Archway Travel has added nine new 8.9 metre Alexander Dennis Enviro 200 single deck buses to its growing fleet via a rental deal with Asset Alliance. The five year rental agreement will kick start new bus services for Lancashire County Council.

The 30-seat single deckers will transport passengers on the 74/75 bus routes between Fleetwood and Preston previously run by Blackpool Transport. They are powered by clean low emission certified Euro 6 engines and driven via a Voith Auto transmission. The lightness of the design boosts fuel efficiency. The buses will also operate school contracts, private hire and two new bus service routes.

## **AIR NEWS**

### **Air News 2024 Oct Farnborough**

Sales showed little improvement on 2022 which was down because of COVID-19.

Boeing – Took several substantial orders. Announced that Lufthansa Technik would be the first Boeing-Licensed Service Centre for cabin modification on the 787.

Airbus – Also took several orders. Announced type certification for A321XLR. Announced several partnerships with firms specialising in SAF and hydrogen.

### **Lufthansa**

The European Commission has approved the sale of 41% of ITA (the successor to Alitalia) to Lufthansa. The deal includes slot release at Milan Linate and concerns about competition on the North Atlantic due to Lufthansa's relationship with United Airlines and Air Canada.

Lufthansa City Airlines began operations on June 26<sup>th</sup>. It is focused on short and medium haul routes, starting with Munich to Birmingham.

### **SAS**

SAS has announced codeshare and interline agreements with Air France-KLM with reciprocal loyalty programme benefits. The codeshare gives SAS access to 33 Air France – KLM destinations from Amsterdam/Schiphol and Paris CDG and gives Air France-KLM access to 33 SAS destinations from Copenhagen, Oslo and Stockholm.

### **Maersk**

Is taking delivery of Boeing 777Fs, first being on July 12<sup>th</sup>.

### **Virgin Atlantic**

Will drop its sole link to mainland China, Shanghai, on Oct 26<sup>th</sup>. This is due to its inability to overfly Russia.

### **Qatar**

Qatar Airways Group has reported the strongest financial performance in its 27-year history. At \$1.7bn profit exceeded 2023 by 39%. At \$22.2bn revenues were up by \$1.3bn.

### **Air Canada**

Air Canada will receive 8 Boeing 737 Max 8s from BOC Aviation in 2025.

### **Southwest**

Southwest Airlines has signed a memorandum of understanding (MOU) with Archer Aviation to develop operational plans for electric air taxi networks using Archer's electric vertical take-off and landing (eVTOL) aircraft at up to 14 Californian airports.

### **Hydrogen**

American Airlines has entered into a conditional purchase agreement with Anglo-American hydrogen-electric powertrain maker, ZeroAvia, for 100 engines to power regional jet aircraft. The engines use hydrogen to generate electricity to turn the aircraft's airscrews. The only in-flight emission is water vapour.

Airbus, Aena, Air Nostrum, Iberia, Exolum and Repsol have agreed to collaborate on creation of the first hydrogen airport hub in Spain.

### **Cebu Pacific**

This Philippine low cost carrier has signed a MOU for up to 152 Airbus A321neo. This comprises a firm order for 102 and an option for 50 more, with the ability to switch between A321neo and A320neo.

### **Qantas**

After a 20-year hiatus Qantas restored services to Paris in time for the 2024 Olympic Games. The 8,864 mile route from Sydney to Paris via Perth will be by 236 seater Boeing 787-9.

### **Boeing**

Boeing has agreed to buy Spirit AeroSystems, one of its existing subcontractors, in order to stabilise production and improve safety. Spirit currently makes structural components for Boeing 737, 767, 777, 777X and

787. The components which it also makes for Airbus A220, A320 and A350 will be taken over by Airbus.

### **Salerno**

Closed in 2016, the runway has been lengthened and a new terminal is under construction. It was re-opened on July 11<sup>th</sup> with a Volotea A319 flight from Nantes and an easyJet A320 flight from Milan Malpensa. Volotea will also serve Verona and Catania from Salerno while easyJet will also serve Berlin, Geneva, Basle and Gatwick. Ryanair arrived on Aug 1<sup>st</sup> and will serve Milan Bergamo, Turin and Stansted.

### **Remote Towers**

Norwegian airport operator is adding seven more airports to its remote tower programme. The digital towers will be supplied by Kongsberg and are due to be operational by 2027.

### **IT Outage**

The familiar IT outage on July 19<sup>th</sup> had widespread effects on the airline industry. 6,855 flights (6.2% of the total) were cancelled on the day. Disruption continued into the following week. Delta Airlines were particularly badly affected due to role of the operating system, Microsoft Windows CrowdStrike, in their processes.

## **RAIL NEWS**

### **Where now – Conservative Rail Plans?**

In the last conference issue of this magazine I wrote of the need for a rolling programme of electrification of the railways and that the people of the North were losing faith in the Northern Powerhouse, which seemed to consist largely of broken promises and cancelled schemes. Without immediate investment, creating jobs on the ground, the faith of people in the North would be broken and seats lost – this has now happened.

It is difficult in these circumstances to put forward any proposals which have any credibility so great is the present disillusionment with the party, but we cannot do nothing.

Labours plans for the railways seem to begin and end with nationalisation. We have allowed the infrastructure of the country, both road and rail, to stagnate with what projects we had either cancelled or proceeding at a snails pace. In the long run planning laws and other obstructions to major development need to be changed. This will take years what can be done immediately.

I would suggest that we propose a rolling programme for the electrification of Britain's Railways. This uses existing technology, produces environmental improvement, provides employment, improves speed and efficiency on the railways, allows more passengers to be carried faster on existing lines, does not require new infrastructure, and will be able to use experienced crews on a regular basis, rather than the piecemeal approach of the present railway industry.

Above all it is a credible, sensible approach which is clearly achievable.

## **SHIP NEWS**

### **Ship News 2024 Oct**

#### **Electric Ferry**

Red Funnel will introduce the Artemis EF-24 Passenger in late 2025. This should save 3,700 tonnes of CO<sub>2</sub> on the route from Southampton to West Cowes on the Isle of Wight.

The procurement of seven new electric ferries is under way to support the Clyde and Hebridean services. Meanwhile Argyle and Bute Council is undertaking infrastructure work in anticipation of their introduction.

Stena RoRo has ordered a 13<sup>th</sup> E-Flexer ferry from China Merchants Jinling (Weihai). It will be delivered to Corsica Linea in early 2026. The same yard has commenced construction of a hybrid methanol fuelled vessel which will operate for Stena Line on the Belfast-Heysham route.

#### **Methanol**

On July 9<sup>th</sup> X-Press Feeders started Europe's first scheduled feeder network using green methanol. This is expected to reduce greenhouse gas emissions by 65%. "Eco Maestro" is the first of 14 dual fuel vessels which it has on order.

#### **Tasmania**

On July 19<sup>th</sup> Spirit of Tasmania V was floated out at RMC shipyard in Finland. It and Spirit of Tasmania IV will operate the 242 nautical mile service from Devonport to Geelong. They will use LNG in their Wartsila dual fuel engines.

#### **Isle of Man**

The IoM Steam Packet Company's new flagship, the 24161gt Manxman, has been named as the best and most innovative roll-on/roll-off passenger and freight ferry of 2024. The ship operates between Douglas and Heysham.

#### **Cruise**

Life at Sea Cruises filed for Chapter 7 bankruptcy on July 23<sup>rd</sup>. "Villa Vie Odyssey" remains in the Harland & Wolff shipyard in Belfast.

Following its purchase out of bankruptcy Crystal Cruises is now upgrading Crystal Serenity and Crystal Symphony. It has also placed orders for two new ships with Fincantieri.

Carnival Cruise Line has ordered three 230,000gt LNG-fuelled for delivery in 2029, 2031 and 2033. Maximum capacity will be 8,000 passengers.

On July 27<sup>th</sup> Celebrity Cruises 130,818gt Celebrity Apex became the largest passenger ship to use the western Solent. It was en-route from Southampton to Vigo.

#### **Cargo**

In July MSC (Mediterranean Shipping Co) attained a 20% share of global container capacity at almost 6 million TEU. MSC displaced Maersk from this rank in January 2021.

Berge Bulk's 388,000gt Valemax Ore Carrier, Berge Neblina has sailed to Brazil with four Flettner Rotors operational. Supplied by Anemoui Marine Technologies Lid. They are expected to reduce CO<sub>2</sub> by 8%.

Chinese NewNew Shipping Line has joined with Russian icebreaker provider Rosatom to launch a northern freight service. Containers will be taken by rail from Moscow to Archangelsk, loaded to ice breaking ships, then shipped through Russia's Arctic waters to destinations in China and the Pacific.



## **EU Border System**

The government has announced £10.5 million to support the Port of Dover, Eurostar and Eurotunnel in preparation for upcoming changes at the border being implemented by the EU. A new Entry/Exit System (EES) is to be introduced by the EU this autumn as it transitions to a new digital border system. This means that travellers from the UK and other non-EU countries will have to register at the border by having their fingerprints and photograph taken.

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**CTG - founded in 1992**

**The views of the contributors do not necessary reflect the views of the Conservative Party - but reflect the topical debate of the time.**

**Tim Rouse**  
*Chairman*

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### **JOIN US**

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