From: lan Kendall [lan.Kendall@tie.ltd.uk]

Sent: 07 April 2006 13:19
To: Fitchie, Andrew

Subject: FW: Basis for Preliminary Design

FYI this is e-mail 1 of three

From: Renilson, Neil [mailto:NRenilson@LothianBuses.co.uk]

Sent: 06 April 2006 16:10

To: Ian Kendall

Cc: Campbell, Bill; keith.rimmer@edinburgh.gov.uk; david_mackay@ Willie Gallagher; Michael Howell;

dorothy.gray@edinburgh.gov.uk; Graeme Bissett (external contact); Stewart McGarrity

Subject: Basis for Preliminary Design

lan,

I reply to your e-mail of yesterday, to which you appended your draft letter to David Hutchison of Parsons Brinckerhoff, and I see Bill Campbell has responded direct to you in detail.

Further to our phone conversation of yesterday regarding the matter, I confirm I am disappointed to see that the ethos of your draft letter continues to display the mindset that achieving the minimum tram run time is the overriding objective.

The impracticality of this approach has been raised and discussed with you a number of times over recent months, but your letter appears not to take account of this, so here goes again.

The Edinburgh tram scheme has moved on from the very early concept stage, when tram and bus were to be two completely separate stand-alone businesses, with the tram operator incentivised to maximise tram revenue at the expense of bus. We are now working on the basis of an integrated network, not two competitive networks, and therefore the tram design cannot be undertaken in isolation, irrespective of the impact on the rest of the TEL network.

We must design a network which maximises the revenues and minimises the costs for the whole network, and therefore the mindset displayed in your letter, which could be paraphrased as, "The primary objective is to minimise tram run time, and all other considerations are secondary," is not an acceptable way forward to TEL, or indeed, I am sure, to CEC. The mindset displayed still seems to be based on the past, when minimising tram run time was an objective because the faster the tram was, the more attractive it would be to passengers, compared to travel on bus, and therefore the more passengers tram would gain from bus.

Since we are now looking at an integrated network, where tram and bus are working hand-in-hand together to deliver the best total network and, as Transdev's single-mode incentivisation is to be removed, what you are proposing is completely the wrong approach. In an integrated network, tram run time is only relevant insofar as:

- 1. longer run times require more trams and more drivers, and therefore tram costs increase;
- 2. the lower the tram run times, the more attractive the tram is to current car users; therefore, the lower the tram run times, the more car users will be attracted.

There is no longer any objective to design the tram in such a fashion that tram run time is minimised and bus run times stretched in order to benefit tram and disbenefit bus.

Therefore, the objective must be to come up with the optimum tram design and run time which minimises cost to the TEL network *in toto* and maximises revenues to the TEL network *in toto*.

Under the ethos laid out in your letter, SDS would recommend a scheme which, in minimising tram run times, might well have a substantial cost premium to TEL's bus operation, to the overall detriment of the combined tram and bus business. The ethos adopted must be to instruct SDS to develop a design which minimises tram run time to the minimum level consistent with maintaining existing bus operating speeds. Once that result is achieved, then decisions can be made as to the extent to which actions are taken which further reduce tram run times and increase bus run times in the full and clear knowledge of the financial impact on the TEL network *in toto* of those actions.

In short, SDS must be charged with coming up with a design which produces the best tram run time, consistent with no negative impact on bus run times, as the starting point.

Once we have that start position, then we can go through the iterative process to improve tram run time without incurring disproportionate extra costs on the rest of the TEL network.

Neil

----Original Message-----

From: Ian Kendall [mailto:Ian.Kendall@tie.ltd.uk]

Sent: 05 April 2006 09:52

To: Renilson, Neil; Campbell, Bill; keith.rimmer@edinburgh.gov.uk

Cc: david_mackay@www.www.Willie Gallagher; Michael Howell; dorothy.gray@edinburgh.gov.uk; Graeme

Bissett (external contact); Stewart McGarrity

Subject: FW:

Gents,

Bringing you on-line with my design process management if you would please review the attached letter in which I set out the basis for SDS preliminary design. This is a for the avoidance of doubt letter and explicitly re-handles capacity and track elevation issues.

I am not attempting to bounce anyone here so I will await your responses before sending.

Thanks.

lan

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