



**ORR's Sustainable Development and Environmental
Duties – Consultation Paper**

Lloyd's Register Rail's Response

21st December 2006

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1 Introduction

Lloyd's Register Rail recognises the need for urgent and substantive action to address issues such as climate change and progress towards a more sustainable future. Therefore, we are encouraged by the ORR's commitment to take these issues forward and we welcome the opportunity to comment on this consultation paper.

As part of the Lloyd's Register Group, the interests of the community and of the environment have been at the heart of our business since our foundation in 1760. Today, Lloyd's Register's Constitution states that our objective is 'to secure for the benefit of the community high technical standards of design, manufacture, construction, maintenance, operation and performance for the purpose of enhancing the safety of life and property at sea and on land and in the air'. We are an independent body operating for the benefit of the global community, re-investing our profits into public education, research and development and into the business to improve the services we provide. Through our educational trust, the Lloyd's Register Group sponsor Forum for the Future's Engineers for the 21st Century initiative. As part of this, we have seconded two members of staff to participate in the initiative working on developing Sustainability Guidelines for the shipping industry.

Our response to the consultation draws on our experience in the rail industry but also in other industries such as marine, who are also developing sustainability frameworks. We have put forward this brief paper as a response to the overarching questions asked in the consultation document.

We would be pleased to meet with ORR or other stakeholders and we look forward to contributing to the development of a workable sustainability framework that the rail industry, in partnership with other transportation sectors, can work within.

2 Response

Achieving sustainable development is one of the main challenges facing us all as individuals, businesses or public bodies. We consider that strong leadership will be required to achieve this in as short a time as possible to ensure that emerging problems, such as climate change, resource depletion and maintaining sustainable communities, can be addressed. The starting point is to agree a clear definition of what the terms relating to sustainable development mean. Sustainability has different interpretations according to the roles and influences in the industry and these need to be discussed and terms agreed.

We understand that in this area the ORR primary role is to:

- contribute to the achievement of sustainable development
- improve environmental impact reporting, assessment and measurement in the rail industry.

Commitments such as these are critical and we encourage the ORR to build upon these commitments and proposals in the consultation paper to support the industry in developing a framework for sustainable operation and development.

However, we believe that a common problem with introducing unquantified policy aims and requirements is that organisations find it difficult to see what they need to comply with and how. Therefore, we believe that it is vital to produce clear targets for companies to aim for or define activities that must be undertaken, to ensure that the industry knows what is required and can plan to act effectively.

Nevertheless, it is also important to recognise that introducing performance measures can create unforeseen behaviours or situations and some interesting examples were raised at the ORR workshop, November 24th 2006. However, due to the need for swift action this recognition should not prevent measures being introduced. What is needed is a flexible system that enables measures to be introduced with behaviours and outputs monitored to see how successful the measure has been in promoting good practice. Where weaknesses are highlighted these should be corrected quickly and alternatives introduced. Measures put in place without consideration of the commercial frameworks that businesses are operating within can also fail to have the desired overall affect. For example if sustainability improvements are made by a rail business, these must be recognisable in the franchise agreement and not be in conflict.

In the marine sector work is being done to make the issue of sustainability central to the design, manufacturing, operation and dismantling of marine vessels. This work is concentrating on the development of sustainability guidance for ship-owners and operators wishing or needing to demonstrate activity in this area. This guidance aims to plot a route towards sustainability; highlighting the type of activities that should be undertaken and publicising good practice examples. This is important as sustainability itself is difficult, if not impossible, to measure. It is recognised that environmental impact and performance are more easily quantified and we encourage the work being done in this area by the rail industry. However, sustainability is wider than purely environmental performance and arguably too broad to measure definitively. An alternative approach to setting quantified measures for sustainability would be to measure the extent of compliance with an agreed best-practice route map which in fact could also develop over time.

The Institute of Asset Management (IAM) has a group exploring sustainability issues that the Lloyd's Register Group contributes to along with members of the rail industry, utilities industry and other interested parties. This group is currently collating together experiences from different industries. The ORR may be interested in the output from this work or be prepared to contribute to the discussions.

We believe that the underlying success of creating a sustainable model for rail is making decisions based upon a realistic and equitable balance between the economic, environmental and social effects associated with introducing different options. Leaving one of these effects from the equation may lead to an inaccurate picture of the true, holistic impact of taking that decision.

In fact many of the wider decisions that the rail industry needs to consider will actually involve the balance to be assessed not just in the rail industry but transportation as a whole and potentially include energy and resource production industries as well. For example, the introduction of environmental charging cannot be seen as purely a rail industry issue; increasing the price of rail alone is likely to make people use their cars more, having a detrimental effect on emissions per head overall. Co-operation and partnership with other public bodies and companies will be needed to ensure that these wider issues are discussed and solutions agreed. Again strong commitment and leadership will be required to achieve this, in particular where there may be conflicts between individual organisations. We feel that the government departments such as the DfT are best placed to take this lead with support and cooperation from bodies such as the ORR.

In summary we believe that the ORR have taken a positive step in considering how to take the sustainability issue forward and we look forward to supporting them and the rail industry in achieving their objectives.