

An Roinn Iompair
Department of Transport



9 December 2021

Mr. Sam Keenan
Committee Secretariat
Committee of Public Accounts
Leinster House
Dublin 2

Ref: S0637 PAC33

Dear Mr. Keenan,

I refer to your letter of 19 November 2021 regarding the Secretary General's appearance before the Committee of Public Accounts on 11 November 2021, seeking further information in relation to certain matters raised by the Committee. I now attach the information on some queries that have been raised.

Should you have any further queries, please do not hesitate to contact Mr Eoin Keehan, eoinkeehan@transport.gov.ie.

Yours sincerely,

Ken Spratt
Secretary General

RESPONSE TO DEPARTMENT OF TRANSPORT PAC 11th November 2021

1. A note outlining the following information on the buses purchased by the National Transport Authority in 2020 at a cost of €65 million:

- A breakdown of the buses by fuel type(s)

Purchases

20 x double-deck city buses EURO VI diesel-only

(Note: all 20 of these buses were ordered in early 2019 for delivery by mid-2019, but the entry into administration of the bodybuilder (Wrightbus) in 2019 and then COVID-19 restrictions in 2020 resulted in the buses only being delivered in 2020)

5 x single-deck midi buses EURO VI diesel-only

(Note: 2 of these buses were ordered in early 2019 for delivery by mid-2019, but the entry into administration of the supplier (Wrightbus) in 2019 resulted in the buses only being delivered in 2020)

8 x single-deck coaches EURO VI diesel-only

Down payments

32 x single-deck coaches EURO VI diesel-only

77 x double-deck hybrid buses Hybrid diesel-electric

- Their lifespan. (pg. 14-15)

Buses are assumed to have a useful economic life of at least 12 years

Coaches are assumed to have a useful economic life of at least 10 years

2. A note setting out the assurances sought by the Department, and those given to the Department, in relation to potential conflicts of interest, or perceived conflicts of interest regarding the new search and rescue service to be provided by CHC Ireland. (pg. 16)

Following a procurement process, KPMG were appointed on 27 October 2020 to carry out a detailed business case in line with the Public Spending Code for the next SAR Aviation contract. Their tender response document clearly addressed any perceived conflicts of interest – see extract below:

“As accepted on previous contracts, there is no conflict of interest in our provision of support to the DTTAS. Whilst Frazer-Nash is wholly owned by Babcock International Group, Frazer-

Nash has complete operational independence, and the work we undertake for Government requires us to be impartial and independent.

The four divisions which comprise Babcock International Group are Marine and Technology, Support Services, Defence and Security, and International, and each division is led by its own divisional Chief Executive. Whilst Frazer-Nash reports up through the Maritime and Technology Division, it remains an independently trading organisation with its own board of directors, management and staff. The organisational reporting lines between Frazer-Nash and any potential team from Defence and Security which may be bidding into DTTAS for the Irish Coast Guard, remain independent right up to the Group Chief Executive. There is no shared IT system between Frazer-Nash and other members of the Babcock Group and our offices are geographically separate. Hence there is no opportunity for any accidental release of information.”

In addition, the OGP contract document sets out conflicts of interest/confidentiality that both parties have signed up to, so the Department is satisfied that perceived conflicts of interest have been adequately addressed.

3. A note detailing the reason(s) for the increase in the cost of Public-Private Partnerships (PPPs) from 2019 to 2020, the extent to which the COVID-19 pandemic caused the increase, and the expenditure on the Limerick Tunnel PPP in the years 2019 and 2020. (pg. 19)

Questions raised by the PAC Chairman on 11 November 2021 referred to an increase in PPP costs from €73m in 2019 to €148m in 2020 based on figures included in TII’s 2020 Financial Statements. The referred figures are included in “*Table 10b Public Private Partnership Scheme Operation Charges*” of TII’s 2020 Financial Statements. The relevant extracts from the 2020 Financial Statements and from the PAC minutes are included in the Annex.

The *Scheme Operation Charges* shown in Table 10b include:

- *Annual Payments to PPP Companies* – these include Availability Payments¹ and Operational Payments specified in the PPP Contracts after the exclusion of construction costs. They also include operational variation payments.
- *VAT rebates* – TII received VAT rebates on three PPP schemes in 2020 relating to overpayment of VAT.
- *Payments to local Authorities relating to PPP schemes* – These are payments made to a small number of local authorities through the project reporting system [PRS] for costs incurred by the local authority connected with the PPP scheme.
- *Change in Provision for Variable Operational Payments (“VOPs”)* – On two PPP schemes VOPs are payable where traffic volumes fall below specified levels set out in the PPP contracts. Each year TII updates the forecast traffic for these two schemes and calculates the projected VOPs to contract expiry. It is the change in *Provision* required

• ¹ Availability Payments are paid on 5 PPP schemes. The Scheme Operation Charges shown in Table 10b of the 2020 Financial Statements exclude the ‘*Construction*’ component of these Availability Payments.

that is recorded as a Scheme Operation Charge in Table 10b of the Financial Statements.

The increase in *Scheme Operation Charges* between 2019 and 2020 of €75m can be summarised as follows:

PPP Scheme Operation Charges (<i>breakdown</i>) (€'m)	2020	2019	Change
Annual Payments to PPP Companies:			
- N25 New Ross Bypass	5.677	0.000	+5.677
- M11 Gorey to Enniscorthy	10.444	3.214	+7.230
- Other 11 PPPs	89.519	88.429	+1.090
VAT rebates:			
- M17/M18 Gort to Tuam	-2.765	0.000	-2.765
- M11 Gorey to Enniscorthy	-1.754	0.000	-1.754
- N25 New Ross Bypass	-1.146	0.000	-1.146
Payments to local Authorities relating to PPP schemes:	0.992	1.875	-0.883
Change in VOP <i>Provision</i> :			
- N18 Limerick Tunnel	43.383	-20.483	+63.866
- M3 Clonee-Kells	3.748	0.000	+3.748
Totals	148.098	73.035	+75.063

The key points to note are:

- The increase in **VOP Provision** accounted for the biggest increase in Scheme Operation Charges. The change in VOP *Provision* in 2019 (from 2018) was a reduction of €20.5m. The change in VOP *Provision* in 2020 (from 2019) was an increase of €47.1m. Therefore, the combined change in VOP *Provision* across 2019 and 2020 combined was €67.6m. The key driver of VOP calculations is the projected traffic levels to contract expiry. If traffic levels are projected to fall below the guaranteed level specified in the PPP contract, then a VOP will apply. The significant increase in VOP *Provision* at the end of 2020 reflected more conservative traffic projections to contract expiry and also the inclusion of VAT on VOP Payments. While TII has been paying VAT on annual VOPs since 2018 on a without prejudice basis, VAT was only added to the VOP *Provision* in the 2020 Financial Statements which resulted in an additional €19m being added to this provisioned amount.
- The increase in **Annual Payments** of €5.7m from 2019 to 2020 on the N25 New Ross Bypass scheme reflects that this scheme only became operational in 2020. The increase in Annual Payments of €7.2m from 2019 to 2020 on the M11 Gorey to Enniscorthy scheme reflect that operations commenced in August 2019 and therefore the 2019 payments do not reflect a full year. The increase of €1.1m from 2019 to 2020 across the other 11 PPPs reflects inflation and changes to Annual Payments.

- VAT rebates totalling €5.7m were received in 2020 in relation to construction costs on three schemes: M11 Gorey to Enniscorthy; N25 New Ross Bypass and the M17/M18 Gort to Tuam. These rebates were included in the individual scheme line items in Table 10b.

Extent to which COVID-19 caused the increase between 2019 and 2020

The Variable Operational Payments are the only PPP costs shown in Table 10b that are impacted by COVID-19. The VOPs apply to two PPP schemes – the M3 Clonee-Kells and the N18 Limerick Tunnel.

The increase in VOP *Provision* of €47m between 2019 and 2020 reflected:

- c. €19m additional VAT *Provision* (TII included VAT on VOPs on a *without prejudice* basis in 2020)
- c. €11m increase in 2020 VOPs (difference between 2019 *Provision* and actual 2020 VOPs)
- c. €10m additional *Provision* for 2021 VOPs (a similar level was assumed as per 2020 due to COVID-19)
- c. €7m additional *Provision* for VOPs from 2022 to contract expiry (based on reduced traffic growth projections given the uncertainties around COVID-19)

Expenditure on N18 Limerick Tunnel in 2019 and 2020

The VOPs on Limerick Tunnel increased by €6.6m (including VAT) between 2019 and 2020 (from €4.4m to €11m) on a Payable basis. The VOPs on Limerick Tunnel increased by €3.5m (including VAT) between 2019 and 2020 (from €4.4m to €7.9m) on a Cashflow basis.

Other costs on the N18 Limerick Tunnel reduced from €1.6m in 2019 to €1m in 2020.

4. A detailed note outlining the progress to date in training Irish Coast Guard staff on the Night Vision Imaging System (NVIS) technology, setting out the reasons why only one of the four search-and-rescue bases has been approved by the Irish Aviation Authority for operating an NVIS-enabled service, and other delays to the rollout of the service. (pg. 21)

Coast Guard Helicopter services are provided under contract by CHC Ireland. Coast Guard / Department of Transport is both the tasking and contracting authority for the service. CHC as the operator of the service is regulated by the IAA for whom it receives an Air Operating Certificate and other certification, including SAR alleviations pertaining to service provision. IAA approval is required to operate NVIS equipment. In seeking IAA approval, CHCI were the first commercial entity to do so in this jurisdiction. The application therefore placed an onus on the IAA to develop specific arrangement for NVIS approval and oversight of these services. The process of application and approval is primarily a matter for the IAA as the regulator and CHCI as the operator of the service. Coast Guard does not have a role to play in this engagement nor has it been made aware of deficiencies on the part of the operator to process the application or meet regulatory requirements.

The advent of Covid resulted in a loss of momentum with regard to training being undertaken by the operator. From February 2020 the priority shifted to maintenance of Coast Guard Helicopter services as Covid took hold. It was not possible to access to international simulator training for routine and NVIS training. The operator was facilitated with development of alternative training arrangements to maintain currency in flying skills throughout 2020, the consequence of which was that Coast Guard services were maintained. These service in addition to primary maritime search and rescue included, inland search and rescue in support of An Garda Síochána, day and night aeromedical services to offshore islands and aeromedical support to HSE including inter-hospital transfers and other Helicopter Emergency Medical Service (HEMS) activities. NVIS training is conducted during hours of darkness, therefore such training is restricted during summer months. Arising from the easing of Covid restrictions earlier this year CHCI has resumed simulator based NVIS training in Norway. In terms of actual flying training the training programme at Sligo was completed this year. Training at Shannon and Dublin is ongoing and is expected to be concluded by May 2022 to be followed by the Waterford Base

A regulatory distinction is made between provision of what is termed Commercial Air Transport (CAT) activities and Search and Rescue (SAR) for which additional regulatory alleviations are required. In May 2021 CHCI was granted approval for NVIS CAT activities which inter alia includes HEMS. In the interim there has been ongoing engagement between IAA as the regulator and CHCI in order to finalise arrangements for SAR NVIS approval. It is anticipated that this process will conclude in November 2021 following completion of a significant body of work by CHCI as the operator and the associated verification by IAA. There are no ICAO or EASA regulations in relation to the use of NVIS in SAR operations. The determination on SAR NVIS approval can be based either on an appropriate period of operational experience in the CAT sphere to facilitate an evidence-based operational evaluation in the future or alternatively would be based on a comprehensive reassessment of the safety risks inherent in SAR operations incorporating use of NVIS, and the implementation

of appropriate mitigations in accordance with safety risk management principles. IAA chose to pursue the second of these options.

In April of 2021 CHCI as the operator on foot of an IAA NVIS audit received formal approval to proceed with the application for SAR NVIS approval. This followed on a prior approval for CAT only NVIS. NVIS training is conducted as a concurrent activity with service delivery from all four CHCI bases. Covid related interruptions including suspension of NVIS training and the need to develop new regulatory and oversight arrangements has resulted in a delay in full introduction of the service. Cognisance must be taken that Coast Guard helicopter services were maintained since the advent of Covid related restrictions.

5. With regard to the 2030 target of reducing greenhouse gas emissions from transport by 51%, as outlined in the 2021 Climate Action Plan, a breakdown of the proportion of the targeted reduction that each of the four measures for doing so intends to achieve. (pg. 22)

The following table from *Climate Action Plan 2021* (CAP 21) summaries the measures to deliver further abatement in transport, showing the potential abatement to be achieved under each heading in terms of MTCO₂eq. It is estimated that achieving these targets will deliver a 6.1MT reduction by 2030. Of the total abatement estimated, electrification accounts for 47%; sustainability and demand management measures 23%; increased biofuels 18%; electrification of Bus and Rail 7%; and HGV technology 5%.

As set out in the CAP, further work is required to consider what further measures can be deployed to deliver the remaining 0.9MT which will arise from the projected increase in travel demand over the period.

Key Metrics	2018	2025	2030 (Based on CAP 2021)	Additional Abatement Impact, MtCO ₂ eq.
Core Measures				
Sustainable Transport Journeys and Demand Management Measures²	N/A	125,000 additional public transport and active travel journeys, and the rolling out of sustainable demand management measures	500,000 (14%) additional public transport and active travel journeys per day Reduce ICE car kilometres by c. 10%	c. 1.4
Electrification of Passenger Cars	c. 2000	175,000	845,000 with a focus on BEVs	c. 2.7
Transition to Low Emission Vans	c. 85	20,000	95,000 with a stronger focus on BEVs	c. 0.2
Improved HGV Technology	c. 20	700	3,500 low emission HGVs	c. 0.3
Increased Bio-fuel Blend Rate	E5 B4.5	E10 B12	E10 B20	c. 1.1
Electrify Mass Transportation	N/A	300 EV buses and expanding electrified rail services	1,500 EV buses and expanding electrified rail services	c. 0.3 c. 0.1
Further Measures				
Undertake a programme of work which will review progress and further refine measures that will seek to deliver the additional c. 0.9 MtCO ₂ reduction by 2030 in a fair and equitable manner				c. 0.9

² Includes the impact of reduced fuel tourism practices

6. A note outlining:

- **how it is intended to reduce the number of car journeys nationally by 500,000 per day,**

To clarify, the targeted 500k additional sustainable journeys by 2030 does not equate to a 500k reduction in daily car journeys. Many different variables and interventions will contribute to the level of modal shift targeted in the CAP 21. CAP 21 charts a course to reduce transport greenhouse gas emissions in line with the Government's overall target of 51% by 2030. This target is very ambitious, and it will require a mix of policy interventions, significant behavioural change and buy-in at all levels to deliver. These measures include a significant enhancement in public transport, both in capacity but also in quality and reliability. Active travel will also play a vital part as we develop better infrastructure for cycling and walking. The scale of investment foreseen in the NDP over the coming years will be transformative at a national level including the implementation of major transport projects such as:

- BusConnects
- Connecting Ireland
- Expanding rail services and infrastructure in, and around, major urban centres
- A significant increase in our walking and cycling investments

Thirdly and allied closely with enhancements to sustainable mobility options, demand management measures will be critical. These involve both "carrot and stick" approaches to disincentivizing fossil fuelled car usage and promoting more sustainable mobility choices. The right blend of measures will be developed in close consultation with local authorities following the publication last week of phase 2 of the [Five Cities Demand Management Study report](#). Reducing overall passenger kilometres is not about cancelling trips, but rather it is about reducing the need for, and length of, certain trips. Technology advances can only achieve so much and the heavy reliance on the car among certain cohorts of the population and in certain parts of the country where more sustainable alternatives are limited means that the suite of potential demand management measures will need to be delivered in a way that achieves a just transition and supports economic wellbeing.

- **any modelling planned or undertaken to date regarding the alternative methods these motorists will switch to, and**

As regards modelling, the NTA has developed a sophisticated transport modelling tool which is used to support the transport measures and targets set out in the Climate Action Plan. This model is reviewed and revised regularly to ensure it incorporates the latest timelines for transport schemes nationally and the most robust empirical data available on travel demand and behaviour. The results of the NTA's modelling work suggest that the targeted emission savings from transport is possible, through a combination of the measures mentioned.

This model also informed the recently published [Five Cities Demand Management Study report](#). The analysis undertaken for this study, which included international comparators, confirms that the most effective way to achieve a significant reduction in car use is to directly increase the cost of car use, in addition to implementing successful behavioural change measures to encourage greater use of sustainable modes. The focus of the proposed package of behavioural change measures will therefore involve an increase in the cost of car use, in a fair and equitable manner, as well as improving walking, cycling and public transport conditions to encourage greater use of these modes.

- **the locations in which these car journeys will be reduced. (pg. 22)**

As regards the regional spread of the estimated reductions in ICE Car passenger KMs, the NTA's model estimates that the mix of measures underpinning the model will provide for a decrease of road trips by 9.5% (to 53.8% of mode share) in the Eastern Region (including Dublin); by 10% (to 71%) in MidWest Region; by 8% in the South East Region (to 71%); by 10% (to 67%) in the South West Region and by 9% (to 69% in the Western Region).

7. The percentage of motorists in the State that purchase a brand-new car when replacing their car. (pg. 23)

The Driver and Vehicle Computer Services Division in my Department records both the total number of licensed vehicles within the State at any given time and the number of newly registered vehicles in any one year, it does not have accurate data that reflect transfers of ownership of used vehicles. Nor can the CSO provide this information. As such, it is unfortunately not possible to accurately ascertain the percentage of total new sales that replace existing vehicles.

8. A breakdown, by county, of

- **electric vehicles owned nationally, and**
- **electric vehicles purchased to date this year. (pg. 23)**

This information is listed by county in the table below, with national totals at the bottom.

Number of Electric and Plug-In Electric Vehicles in the State		
County	Currently Taxed at 31st October 2021	Registered in 2021
Carlow	405	206
Cavan	363	180
Clare	773	338
Cork	4,991	2,296
Donegal	743	437
Galway	1,905	799
Kerry	722	299
Kildare	2,763	1,253
Kilkenny	544	265
Laois	457	210
Leitrim	105	48
Limerick County	472	163
Longford	185	71
Louth	972	484
Mayo	553	287
Meath	1,986	846
Monaghan	236	114

Offaly	349	167
Roscommon	244	105
Sligo	368	203
Tipperary North	621	335
Tipperary South	201	80
Waterford County	225	58
Westmeath	692	358
Wexford	1,033	477
Wicklow	1,939	753
Dublin	21,519	9,816
Limerick City	673	421
Waterford City	576	341
Total	46,615	21,410

9. A note outlining any actions the Department intends to undertake to:

- **reduce nitrogen oxide (NOx) emissions,**
- **any incentives it has provided to the transport sector to cut down on NOx emissions,**
and

Department of Transport actions to reduce NOx emissions

- Reducing NOx and other air pollution emissions from transport can be achieved by reducing the numbers of vehicles on the roads and by transitioning the sector away from fossil fuels and towards sustainable alternatives.
- Actions taken by the Department that offer significant co-benefits in terms of reduced air pollutant and noise emissions levels therefore include a range of climate and demand management measures including:

- increasing active travel and public transport use;
 - transitioning the transport sector as a whole to sustainable fuels and low-emitting technologies, e.g. through providing supports for increased uptake of EVs and other alternatively-fuelled technologies for the road transport sector; and
 - reducing the numbers of vehicles on our roads, e.g. through traffic demand measures, as outlined in the recently published [Five Cities Demand Management Study report](#).
- Reducing NOx emissions by implementing these cross-cutting measures in turn offers significant benefits in terms of improved human health and higher quality environments, particularly in our towns and cities.

The UTRAP Working Group

- In 2019, the Urban Transport Related Air Pollution Group (UTRAP) was jointly convened by DECC and Department of Transport.
- The Group was established to:
 - examine and to raise awareness of transport-related air pollution in Irish cities and towns among stakeholders;
 - review and identify best-practice measures to reduce such pollution; and
 - develop an evidence-based national policy framework to assist local authorities to address this type of pollution within their areas.
- The Group's interim report was published in February 2021 and it sets out initial recommendations for actions to reduce transport-related air pollution and enables the implementation of these actions (available from: <https://www.gov.ie/en/publication/3f634-urban-transport-related-air-pollution-utrap-working-group/>).
- Work on progressing the recommendations outlined in the Interim Report is ongoing and will take into account the recent *Five Cities Demand Management Study*. The Group's final report is expected to be published by end-2021/Q1 2022.

Research spending to investigate NO₂ and other transport-related air pollutants (TRAP)

- Reducing NO₂ and other air pollutant emissions from transport is reliant on the collection and analysis of data on how much air pollution is emitted by transport and from which vehicle types.
- Through work carried out by the Department and through the UTRAP Group, a number of key evidence gaps have been identified in relation to the nature and extent of TRAP emitted at particular locations, and in relation to the emissions profiles of the Irish transport fleets.
- A number of NO₂- and air pollutant-focused studies have therefore been commissioned as part of the Department's ongoing and proposed research activities.

- These include:
 - Roadside Emissions in Dublin: Measurements and Projections Study. This study involves measuring and modelling real-world air pollutant and carbon emissions from in-use vehicles using Remote Sensing (RS) and Portable Emission Measurement Systems (PEMS) from more than 150,000 vehicles at four locations over a 16-week period in Dublin.
 - Irish Rail air quality study of terminal railway stations: The Department, together with the EPA, will commence a study in Q4 2021 on the localised and wider pollutant contribution of large railway hubs on air quality. Further engagement with Iarnród Éireann is planned in the coming months to progress this study and to facilitate emissions monitoring in and around individual stations.
 - Dublin Port Air Pollutant Source Apportionment Study: the Department will be involved in the steering committee for this project, which will focus on monitoring air pollutant levels at Dublin Port and on identifying the sources of these emissions. It will involve recording real-time measurements of PM chemical composition and pollutant gases. These data will be used, together with results from offline chemical analysis, to develop source apportionment models for quantifying the contribution of port-related activities to ambient levels of air pollution in Dublin.

Changes to road toll plaza arrangements from an emissions reduction perspective

Following on from the Phase 1 of the joint D/Transport and Transport Infrastructure Ireland (TII) *Freight Decarbonisation Study*, TII has carried out some preliminary high-level analysis of the potential emissions benefits of express Heavy-Duty Vehicle lanes at road toll plazas.

- While initial investigations suggest that the carbon-benefits of such a measure would be relatively limited, this measure is among those that have been identified for review when individual toll plazas are scheduled for renewal or upgrading.
- The option of converting certain individual plazas to free-flow operations has also been discussed and is the subject of ongoing consideration within TII.

- **whether the Department intends to introduce any alternative(s) to the toll barrier at the Dublin Port Tunnel to control traffic in the tunnel. (pg. 27-28)**

Dublin Tunnel

The Dublin Tunnel opened to traffic in December 2006. The toll plaza equipment and the control system software date from the design period in the years prior to the opening.

While the toll plaza equipment and barriers continue to function as designed, the technology involved is of its time and not in line with the most modern systems. Accordingly, TII has

commenced the process for the upgrade of the tolling system and will be going to tender in 2022 for a replacement of the system. The new system will inter alia result in a shorter delay time between vehicles as the barriers will lift and drop more quickly than at present.

For tunnel operational and safety reasons it is essential that barrier control is retained at the toll plaza. In the first instance, since the tunnel opened barrier control was implemented on all lanes, although heavy goods vehicles paid no toll. With peak tolls set at €10 (formerly €12), there would be a considerable incentive for a certain cohort of car drivers to avoid the toll by driving in the uncontrolled HGV lanes. Accordingly, barrier control is necessary to eliminate risk of such behaviour.

Secondly, there is a difference in traffic characteristics between the northern and southern portal. At peak ferry times, up to 400 heavy goods vehicles can disembark ferries at Dublin Port and in a short period arrive at the tunnel plaza. This does not arise at the northern portal. For safety reasons, it is necessary that the tunnel Operator has the capability to control the entry of heavy goods vehicles into the tunnel in order to ensure appropriate separation between vehicles. Barrier control is the only means of achieving this.

As outlined above, TII anticipates that the introduction of new barrier technology will substantially mitigate any delays at the barrier; however, for the operational and safety reasons outlined, TII cannot countenance the removal of the barrier system.

10. An update on any funding the Department can provide for the northern cross/port access route proposed in the North Drogheda Environs Local Area Plan 2004 to link Drogheda Port to the M1 motorway, details on the Department's strategic grant scheme and other sources from which the housing development (dependent on the construction of this road) can be funded. (pg. 30-31)

The primary focus for capital investment on regional and local roads at present is the maintenance and renewal of the network, the implementation of the strategic regional and local road projects identified for development, subject to necessary approvals, in the original NDP and targeted minor/safety schemes across the RLR network.

Any additional large scale road improvement projects for future development proposed by local authorities for consideration for funding are assessed by the Department on a case-by-case basis under the Strategic Grant Programme taking into account the limited budget available and broader investment strategy in the transport sector. All projects put forward by local authorities for consideration must comply with the project appraisal requirements of the Public Spending Code (PSC) and my Department's Capital Appraisal Framework (CAF).

There was some discussion between Louth County Council and this Department earlier this year regarding the project appraisal process if the Port Access Northern Cross Road (PANCR) scheme were to be submitted to DoT for consideration and guidance was provided on what would be required, including the need for the Council to prepare a Strategic Assessment Report. This is required under the Public Spending Code for all projects estimated to cost over €10 million.

As regards alternative funding options, it is understood that there has been engagement between Louth County Council and the Housing Infrastructure Services Co. (HISCo) regarding the provision of the section of the route needed to facilitate the development of housing. The joint shareholders of HISCo are the National Treasury Management Agency, (as controller and manager of the Ireland Strategic Investment Fund), and Cork County Council.

11. A list of the increased and/or improved methods of public transport (excluding buses) that will be provided in the context of the State's 2030 climate targets, including a breakdown of how these will be achieved through the first and second climate budgets that have been outlined to 2030. (pg. 34)

The Climate Action Plan 2021 charts a course to reduce transport greenhouse gas emissions in line with overall objective of a 51% reduction by 2030. This target is very ambitious and it will require a mix of policy interventions, significant behavioural change and buy-in at all levels to deliver. The CAP foresees a significant role for investment in both public transport and active travel in promoting the desired modal shift as we develop better infrastructure for cycling and walking.

As regards public transport, buses will continue to do the heavy lifting over the course of the period to 2030. Buses carry over four and half times the numbers of passengers carried by either heavy rail or Luas. Greening buses and expanding and improving bus services will deliver the lion's share of the emission reductions associated with public transport. In the context, delivery of Bus Connects across all 5 cities and Connecting Ireland in rural Ireland are the most significant. These transformative bus schemes will be delivered in a way that will provide people with attractive, reliable and sustainable mobility options over the next 10 years. Clearly electrification of rail generally and the roll-out of DART plus and MetroLink will also make an important contribution in due course. I am not in a position to provide specific timelines for the delivery of these projects as they are subject to planning and other considerations.

12. An update on the proposed driving test centre for the Finglas area. (pg. 34)

A Supplementary Driver Testing Centre in Charlestown (Dublin) opened in the week commencing 6 September 2021. There are currently 6 driver testers assigned to this location. Figures available, from 23 November, indicate that –

From opening to 23 November 1,049 tests were completed

Breakdown of applications as of 23 November -

Waiting	1,031
Scheduled (Have booked their test date)	204
Not Eligible	136

47 customers had an active invitation to book

797 customers were at a paused status having received an invitation to book which was not used.

13. A progress update on whether provision has been made for more Irish Coast Guard staff to leave their assigned Irish Coast Guard response vehicle at home, rather than at the Coast Guard station, and how frequently they are used. (pg. 35-36)

Coast Guard response vehicles which are assigned to Coast Guard units for Coast Guard activities are typically housed at the station house where there are appropriate parking facilities in place. In units where sufficient appropriate parking facilities are not in place vehicles are parked at the private residences of volunteers of the unit who reside in close proximity to the station and which allows for full accessibility of the vehicle by team members as required. The on-going building programme continues to include sufficient appropriate parking facilities for all response vehicles. Most of the 44 Coast Guard units use these response vehicles on a weekly basis for training, taskings and other authorized Coast Guard activities.

14. The reason(s) why the €1.5 million allocated in the 2021 budget to fund upgrade works on the N73 near Kildorrery, between Mallow and Mitchelstown, was not available for the intended maintenance works. (pg. 37-38)

Once funding is secured by the Minister of Transport, it is TII's responsibility to allocate the funding accordingly to local authorities. The allocations to local authorities are indicative and are contingent on works being carried out and then invoiced to TII for payment. If the particular works are not carried out by the local authority, then TII cannot be invoiced for them and therefore the allocation would not be given.

TII provides allocations to local authorities on an annual basis so they are in a position to deliver on the national roads programme. If for any reason it is not possible to deliver on a particular project or for TII to approve the progression of a project, TII can and does reallocate part of the funding during the year.

In this particular case, the 2021 initial allocation provision for N73 Clogher Cross (near Kildorrey) was €1.5 million. This funding was provided to fund land acquisition, pre-tender costs and to prepare to go to tender. Approval to go to tender and award was always the subject of a further approval from TII. The scheme construction cost alone is estimated to be in the region of €8 to 10m, including supervision and other associated costs. In giving approval to go to tender, TII as the Approving Authority under the Public Spending Code must be satisfied that the full project cost can be provided for under its multi annual funding profile. This was not the position at the time of receipt of the request to go to tender and consequently approval was withheld until the funding position regarding further years could be understood. TII is supportive of the project and will give the approval to proceed when it is in a position to commit to the full funding required.

15. A note outlining the following:

- **The total expenditure on PPP operations in 2019 and 2020, and**

The PPP Scheme Operation Charges amounted to approximately €73m in 2019 and €148m in 2020. Table 10b of the 2020 Financial Statements provides a summary of the charges and the relevant extract is included in the Annex.

- **The total increase in expenditure from 2019 to 2020 on PPP operations not related to traffic volumes. (pg. 38-39)**

The total increase in PPP Scheme Operation Charges between 2019 and 2020 (excluding the VOP *Provision*) was €7m. The increase in these charges was not related to traffic volumes.

The increase in VOP *Provision* between 2019 and 2020 was mostly related to traffic volumes but also included an additional VAT *Provision* of €19m.

Therefore, the total increase in PPP Scheme Operation Charges between 2019 and 2020 not related to traffic volumes was €26m.

16. A note outlining the contractual situation regarding PSO transport operators, and the subsidies they receive. (pg. 39)

Public Service Obligation (PSO) funding is provided for socially necessary but commercially unviable bus and rail services. Payment for PSO services is governed by public service contracts between the National Transport Authority (NTA) and the relevant operator. The requirements for entering into contracts for the provision of PSO services is set out in both EU and Irish legislation. Regulation EC 1370/2007 is the EU wide legal framework governing the regulation of public bus and rail passenger services including the approach for awarding

contracts for service delivery and providing PSO compensation for the provision of such services.

The majority of PSO funding goes to Dublin Bus, Bus Éireann and Iarnród Éireann. Contracts with the two bus companies were renewed in December 2014 and again in December 2019 for a further 5 years. The NTA also entered into another 10-year direct award contract with Iarnród Éireann in 2019, as it is statutorily required to do. These new direct award contracts provided for the transition from net cost contracts to gross cost contracts in 2021. This brought these contracts into line with the NTA's competitively tendered contracts.

The cost of providing these services is fixed and all fare revenue is transferred to the NTA. PSO payments are then made to the operators to cover the full cost of the operation of the service. Under EU regulation 1370/2007 operators directly awarded public transport contracts are allowed to earn reasonable profit but any higher level of profit is deducted from their annual subsidy payments. The large public service contracts provide for deductions in payments to operators associated with poor performance across a few quality metrics as well as incentive payments if performance is higher than the required standard.

A number of additional public transport services, which also receive PSO funding, are provided by other operators procured following public tender competitions. These contracts also operate under a gross cost contract model.

Rural transport services provided by operators under the Local Link brand are also funded by the NTA. Significant change in the delivery structure for these services took place in recent years, and additional funding has been provided for new or improved rural transport services. There are now 15 Local Link offices with the role of managing the programme at local level.

PSO Subsidy Payments – Millions

See the table below.

Year / Operator	Dublin Bus PSO	Bus Éireann PSO	Iarnród Éireann	Rural Bus (Local Link) Services	Other Operators	Total
2010	€75.8	€45.2	€155.1	€11.0	€0.0	€287.2
2011	€73.0	€43.4	€148.7	€10.6	€0.0	€275.8
2012	€74.8	€36.9	€166.4	€9.8	€0.0	€287.8
2013	€64.5	€34.4	€127.0	€9.6	€0.0	€235.6
2014	€60.0	€34.4	€117.4	€10.1	€0.4	€222.3
2015	€57.7	€33.7	€98.1*	€10.7	€1.0	€201.2
2016	€59.6	€40.8	€133.1	€11.9	€0.4	€245.7
2017	€54.0	€52.2	€147.0	€13.7	€7.0**	€273.9
2018	€47.5	€54.3	€141.3	€18.6	€6.9***	€268.5***
2019	€53.5	€66.4	€128.4	€22.0	€37.6***	€307.9***
2020	€133.4	€101.1	€239.3	€24.6	€99.1**	€597.5

* Iarnród Éireann received additional exchequer funds for their Infrastructure Management business which partly compensated them for a reduction in PSO subsidy payments to their Railway Undertaking business which receives the PSO subsidy payments.

** The payment in 2017 includes a once off payment €6.68m to TII for Luas CrossCity mobilisation costs. There was a further payment of €30.2 million to TII in 2020 to support the operation of Luas services during the COVID-19 pandemic.

*** Payments shown above for "Other operators" are for tendered services, including those operated by Go Ahead Ireland. They are gross payments and do not take into account fare revenue retained by the Authority. The net cost to the Authority of PSO subsidy payments made from 2018-2020 was therefore lower than the payments shown. Also included in 2020 is a payment to TII to support the operation of Luas light rail services during the Covid-19 global pandemic.

Table 7C: PSO Subsidy Payments (% Change)

Year	Dublin Bus PSO	Bus Éireann PSO	Iarnród Éireann	Rural Bus (Local Link) Services	Other Operators*	Total
2011	-3.6%	-4.0%	-4.2%	-3.5%		-4.0%
2012	2.4%	-15.1%	11.9%	-8.0%		4.4%
2013	-13.7%	-6.8%	-23.7%	-1.4%		-18.1%
2014	-7.0%	0.1%	-7.6%	4.9%		-5.6%
2015	-3.9%	-2.0%	-16.4%	5.9%	139.8%	-9.5%
2016	3.2%	21.1%	35.6%	10.8%	-65.1%	22.1%
2017	-9.4%	27.8%	10.5%	15.9%	1867.1%	11.5%
2018	-12.0%	4.0%	-3.9%	35.3%	-1.6%	-2.0%
2019	12.8%	22.3%	-9.1%	18.5%	443.7%	14.7%
2020	149.2%	52.2%	86.4%	11.6%	163.8%	94.0%

17. The number of buses purchased using Exchequer funds for privately owned but publicly-subvented transport operators. (pg. 39)

The following buses were purchased by the NTA and are currently operated by privately-owned but publicly-subvented operators:

- 44 x double-deck city buses for Go-Ahead Ireland in 2018, 2019 & 2020
- 40 x single-deck city buses for Go-Ahead Ireland in 2018
- 24 x single-deck coaches for Go-Ahead Ireland in 2019
- 7 x single-deck midi buses for City Direct in 2018 & 2020
- 3 x single-deck midi buses for Local link operators in 2020

18. A note outlining the following information:

- **The number of public transport operators for which the NTA have purchased buses**

Seven (7)

- **a full list of these operators**

Dublin Bus

Bus Éireann

Go-Ahead Ireland

City Direct

Flexibus (Local link operator)

Ringalink (Local link operator)

Bantry Rural Transport (Local link operator)

- **the annual subsidies each of these operators received in the years 2019 and 2020. (pg. 40)**

Operator	2019 PSO €	2020 PSO €
Bus Éireann	66,512,300	101,110,000
Dublin Bus	53,543,182	133,516,188
ODMA* (Go Ahead)	16,347,969	20,708,185
DCOM** (Go Ahead)	1,853,173	6,475,641
Waterford (Bus Éireann)	819,590	3,554,253

* Outer Dublin Metropolitan Area

** Dublin Commuter

19. A progress update on the proposed Mountmellick bypass on the N80 national road. (pg. 40)

Laois County Council engaged the services of technical advisors to progress the N80 Mountmellick Bypass Feasibility Study. In this regard, TII Ireland provided a financial contribution to Laois County Council to assist with procurement of the feasibility study. The feasibility study along with other supporting documents were submitted to TII in July 2020. In August 2020, Laois County Council were advised that the next step in the process was to submit a detailed proposal in the form of a Phase 0 Project Appraisal Report, which should include a baseline option cost estimate. Both the Feasibility Study and the Project Appraisal Report were requested for TII to give further consideration to this scheme.

In August 2021, the feasibility study and other supporting documents were re-submitted to TII by Laois County Council requesting that the N80 Mountmellick Bypass be included in TII's

current programme of national roads schemes. In response, TII stated that the requested Project Appraisal Report, including the baseline option cost estimate had yet to be submitted by the local authority. While this is awaited, it is understood that Laois County Council are in the process of compiling the Strategic Assessment Report at this time.

It should be noted, however, that N80 Mountmellick bypass is not listed among the Major projects for progression under the National Development Plan (NDP). Given the competing demands on limited funding, available funding will be directed towards the progression of NDP projects in the first instance.