



By Email

**Ms Aileen Fallon**  
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**Special Committee on Covid-19 Response**  
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**Re: Response to Information Request from Committee**

Dear Ms Fallon,

I refer to your letter dated 26<sup>th</sup> June 2020 requesting a submission of information to support the work of the Special Committee on Covid – 19 Response.

I now attach the Authority's submission for the information of the Committee. In this submission, I have focussed particularly on the bus, rail and light rail services. I would be happy to make an additional submission in relation to the Small Public Service Vehicle sector.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Anne Graham', is written over a thin horizontal line.

**Anne Graham**  
**Chief Executive Officer**



## Response to Information Request from Special Oireachtas Committee on Covid 19 Response

### 1 Introduction

#### 1.1 Remit of the Authority

The remit of the National Transport Authority is to regulate and develop the provision of integrated public transport services (bus, rail, light rail and taxi) by public and private operators in the State, to secure the development and implementation of an integrated transport system within the Greater Dublin Area, and to contribute to the effective integration of transport and land use planning across the State.

#### 1.2 Responsibilities of the Authority with regard to public bus services provision

The Authority is responsible for securing the provision of public bus services through two specified mechanisms:

- public service contracts, where services cannot be provided on a commercial basis, and
- the licensing of public bus services, which are operated on a commercial basis.

#### 1.3 Contracted Bus and Rail Services

The Authority has entered into public transport services contracts with a number of public transport operators, both State-owned and private companies, for the provision of bus and rail services that are socially necessary but not generally commercially viable. These contracts include payments to operators to meet the real cost of providing services. Accordingly, those services are often referred to as Public Service Obligation or “PSO” services.

There are two types of public transport services contract. They are:

- Net cost contracts under which the operator retains all fare revenue;
- Gross cost contracts under which the Authority retains all fare revenue. All competitively tendered contracts currently fall into this category including the Go-Ahead Ireland and Luas light rail contracts; and
- Some contracts are awarded without a competitive tendering process. They are known as Direct Award Contracts. The Authority has Direct Award Contracts with Dublin Bus, Bus Éireann and Iarnród Éireann.

The Authority’s contracts in respect of Local Link rural transport services comprise a mix of net cost direct award contracts and gross cost competitively tendered contracts.

#### 1.4 Competitively Tendered Contracts

The National Transport Authority and Transport Infrastructure Ireland awarded the Luas light rail network Operations and Maintenance (O&M) contract to Transdev Ireland which came into operation in December 2019. The Authority has also awarded contracts following open public tendering for a number of bus routes across the state. These are outlined in the following table:

*Table 1 - Principal operators of tendered bus services*

<b>Operator</b>	<b>Routes operated</b>
Andrew Wharton Coach Hire	Route 975 between Cavan and Longford
Bernard Kavanagh & Sons Limited	Route 817 between Kilkenny and Dublin
Bus Éireann	Routes W1, W2, W3, W4 & W5 in Waterford City
City Direct	Routes KK1 / KK2 in Kilkenny City
Go-Ahead Ireland	24 urban routes in Dublin
Go-Ahead Ireland	3 regional routes in Kildare
Go-Ahead Ireland	Route 197 between Swords and Ashbourne
JJ Kavanagh & Sons	Route 139 between Naas and Blanchardstown
M&A Coaches Limited	Route 828 between Portlaoise and Cashel

### 1.5 Licensed Public Transport Services

The NTA licenses a number of private operators who provide public transport services on a commercial basis without any subsidy from the state. The services branded Expressway operated by Bus Éireann are included in this category. This sector supports about 10% of all public transport journeys but also represents about 44% of the vehicle kilometres operated to deliver the services. This sector has also been severely affected as result of Covid-19. Some operators continued to provide services during the lockdown albeit at a reduced capacity due to social distancing (53 licences). Others reduced their service frequencies (56 licences) and a large proportion of services were terminated and remain non-operational (192 licences).

Representatives of the sector have indicated that even with social distancing being eased to allow 50% capacity on buses in conjunction with mandatory face coverings, it would not be financially viable to operate some of the services. The Government have agreed that temporary funding supports, in accordance with EU and national legislation, will be introduced for the licensed bus sector. The Authority is now engaging with licensed operators to put in place the appropriate emergency support which is aimed at ensuring the continued operation of essential licensed bus services for a period of up to six months. The support package will be restricted to operators where a clear public interest justification supports such intervention and will be targeted at compensating the gap between specified costs and revenues generated on the services.

## 2 Passenger Numbers and Revenues

While the NTA has seen very high growth in subsidised public transport journeys in recent years (9% in 2019) following our investment in additional capacity and in new services, the Covid – 19 pandemic has had a very significant impact in passenger numbers. Since the restrictions were imposed, passenger numbers fell to 5-10% of pre-Covid levels. As the restrictions have eased passenger numbers have grown steadily such that they are now at just over 30% of pre-Covid levels.

### 2.1 Impact of Covid-19 on revenue to date

The passenger numbers and the associated revenue for public transport fares is recorded 13 periods of 4 weeks. The latest information available to the National Transport Authority is up to Period 5 which

ended on 19th May 2015. Up to that date fare revenue has dropped by 38% compared to the same date last year. Since that date the restrictions have been eased and it is hoped that the later periods will see an increase in passenger fare revenue however it will still be very significantly lower than 2019 levels.

## 2.2 Impact of Covid-19 on forecasted revenue

Forecasting the passenger revenue until the end of the year is very challenging as there are so many unknowns as the country emerges from the Covid-19 pandemic. Transport patterns have been completely altered as working patterns have changed. A large proportion of office workers continue to work at home. The evidence shows that while some office workers are accessing their places of employment, they are walking, cycling or transferring to their private car for their journey instead of using public transport. Car journeys in Dublin city centre are recovering a lot faster than public transport journeys; car traffic at the canal cordon is at 80% of pre-Covid levels whereas public transport levels are at just over 30% of their pre-Covid levels.

The number of people that will return to public transport once their places of employment or education are opened fully is not yet clear. Nor is it clear, just how many will continue to work from home, either fully or partially. Looking at a range of scenarios the Authority estimates that fare revenue could fall by between 50 – 60% by year end compared to last year.

## 2.3 Contractual Payments

The Authority's contracts with public transport operators for the provision of socially necessary but commercially unviable bus and rail services include payments to operators to meet the cost of providing services. The operators are compensated in accordance with their contracts for the provision of the services. Therefore, with fare revenue falling significantly during the Covid 19 pandemic, the Authority is obliged to pay additional PSO subsidy to cover the cost of operating the services in accordance with those contracts. There are also additional costs associated with the cleaning regime that now exists across all public transport fleet as well as additional protective equipment for staff of public transport operators. All these costs are included in the NTA's contractual payments to the operators. The Government has approved additional funding to support these additional payments beyond the 2020 budget for PSO.

## 2.4 Impact of Covid-19 on rail infrastructure/bus infrastructure investments in 2020/2021- status?

Projects at the design phase continued on a remote working basis. Construction projects did experience a short delay during the period of closure of construction sites but are now back in full operation. In addition, there will be a small delay in the delivery of new bus and light rail vehicles due to the impact of Covid-19 at the manufacturing plants.

### 3 Impact of Covid-19 on staffing

The Authority has tracked the impact of Covid-19 on the staff of the public transport operators. There was concern at the start of the crisis that staffing impacts would impact the provision of public transport services. However, given the low level of infection across staff and the responsible behaviour of transport staff and their employers, public transport services were not impacted. The following table presents the data for all the main subsidised public transport operators:

	How many staff are out of work currently self-isolating?	What was the highest recorded absence due to COVID-19 including self-isolating?	How many staff are you aware of that have tested positive for COVID-19?	What is the total number of employees?
All operators	71	672	15	11,497
Proportion of total employees	0.6%	6%	0.13%	100%

### 4 Capacity of public transport

The most important issue for public transport operators and the National Transport Authority is matching capacity with the demand for travel while following public health guidance. When the shutdown of business and social activity occurred in March 2020, subsidised public transport continued to operate albeit at a reduced capacity. Approximately 20% less buses were operated in a 'Saturday Plus' timetable which was sufficient to meet the demand and meet social distancing guidelines. Luas services and regular rural transport services continued to operate their normal schedule and frequency and train services were reduced to meet the very low demand for travel. The social distancing restrictions of 2 metres when combined with service schedule reductions resulted in between 12% and 20% of pre-COVID capacity.

The Authority and public transport operators have responded to the Government's phased re-opening of business with additional capacity as appropriate. For Phase One, the capacity was not changed as it was sufficient to meet the small growth in demand even with social distancing in place. For Phase Two, some additional rail services were provided, increased frequency of the DART was introduced and the normal pre-Covid timetable was operated on all bus services. However as social distancing still applied, capacity remained heavily constrained.

After Phase Two of the Governments Roadmap was introduced, the demand for some public transport services exceeded the social distancing capacity on public transport and there was an increasing likelihood that passengers would be left behind and would not be able to travel at peak times in Phase Three of the Roadmap.

For Phase Three, the government eased the social distancing requirements on all public transport to allow an increase up to 50% of capacity on the fleet along with mandatory face covering on public

transport. This capacity will meet the current demand for public transport as the following measures are also being encouraged:

- a. Remote working for all those that can do so for the foreseeable future. Office based workers normally make up the bulk of peak travel and with the 50% capacity constraint in place, they cannot be accommodated to the same extent as they were pre-Covid.
- b. Staggered starting and finishing times for sectors, retail in particular, is assisting in reducing peak demand, both for staff and customers. Retail activity other than essential retail is commencing after 10:30am which leaves the capacity available for essential workers where staggered timing is not possible;
- c. Walking and cycling is being encouraged for those whose journeys are short in length. Additional temporary infrastructure is being provided by many local authorities, funded by the NTA, to support additional trips.

## 5 Social distancing requirements - use of face coverings

Most other European countries and indeed globally have introduced either mandatory or strongly recommended use of face coverings. The NTA welcomes the introduction of mandatory face coverings and await the regulations to support the enforcement of this requirement. The public have reacted well to the government decision and it is estimated that between 50 – 70% of customers are wearing face coverings on some bus services with about 90% on rural transport services. Rail services arriving and departing from Heuston Station have also attracted about 60% in face covering usage by customers with Luas services at about 20%.

## 6 Additional areas of interest:

### 6.1 Views on actions taken to date to deal with the Covid-19 emergency

The NTA is of the view that all appropriate action was taken in accordance with the public health guidance. The Authority worked in partnership with operators to implement measures across the public transport network. The work could not have been achieved without the strong co-operation of the staff and management of the operators who continued to work in a very difficult environment.

### 6.2 What further actions may be necessary?

In order to support the full re-opening of business and society, it will be necessary to remove the capacity limit on public transport.

### 6.3 What measures might be necessary to prepare for further pandemics in the future?

The retention of a supply of PPE by the NTA and transport operators might be necessary in the future.