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Gas
Water
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Telecommunications

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Utility Companies Scapegoats: Penalised for the Failure of Highway Authorities

A detailed report claims that the Government has 'greatly overestimated' the cost of traffic congestion caused by street works.

In a consultation paper issued last week, the Government claimed that 'disruption caused by the utility companies costs the economy £4.3 billion each year'. As a result utility companies are set to incur financial penalties to compensate for this. Not only will the cost of these be passed on to their consumers, but the increased red tape (which naturally accompanies any such legislation) will do little to tackle the main causes of congestion. Professor Phil Goodwin has reviewed all the research on the costs of congestion, and concludes that the Government's figure is not supported by the available evidence and does not make any sense. He estimates that the true figure is almost certainly less than £1billion – less than a quarter of the Government's figure.

Professor Goodwin said 'This discrepancy is much too big to be explained by statistical uncertainty - it is due to a basic flaw in the official method of calculating congestion cost. The Secretary of State himself has recently admitted the methodology is unsatisfactory'.

He said "Of course, nobody likes delays caused by street works. But the total cost of congestion is usually estimated at £20 billion a year, and not more than about 5% of this is due to street works. The great majority of works cause delays of less than 20 seconds per vehicle. The main cause of congestion is that there is too much traffic for the available road capacity, and it would be a great illusion to think that the main solution lies in regulating street works. We don't do motorists any favours if we save them a few seconds in traffic delays, and they get home to find they are unable to use their electricity or phone connection and have to pay more for repairs.

The National Joint Utilities Group, representing the utility companies, welcomed the report. Frank Stewart, NJUG Board Chairman said "We do want to reduce traffic delays caused by our works – it makes good business sense for us as well – but don't make us a scapegoat for the fact that there is simply too much traffic for the road network to cope with. Gas, electricity, water and telecommunications are just as important to our consumers and the economy as traffic'.

The report 'Utilities Street Works and the Cost of Traffic Congestion' will be available from 8th February at www.transport.uwe.ac.uk

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NOTES TO EDITORS

1.Members of the National Joint Utilities Group are: Transco, THUS plc, BT, Water UK, Telewest, Energy Networks Association, NTL, Cable & Wireless

2. Phil Goodwin is Professor of Transport Policy at the Centre for Transport and Society, University of West of England, Bristol, and Emeritus Professor at University College London. He was formerly Director of the ESRC Transport Studies Unit at Oxford University, Head of the Centre for Transport Studies at UCL, a member of the government's advisory committee on trunk road appraisal, an adviser to the House of Commons Transport Committee, and Chair of the Deputy Prime Minister's advisory committee for the 1998 Transport White Paper.