



The Red House
10 Market Square
Old Amersham
Buckinghamshire
HP7 0DQ

13 December 2010

Ms Alison Munro
Chief Executive
High Speed 2 Ltd
55 Victoria Street
London
SW1H 0EU

Dear Ms Munro,

The business case for High Speed 2

I am writing to you concerning the review of the business case for High Speed 2 (HS2) that we have conducted.

We believe that there are a number of fundamental flaws with the assessment that DfT and High Speed 2 Ltd conducted in March 2010, with the result that the benefits are seriously over-estimated. On HS2 Ltd's demand estimates, the level of benefits overestimation may be 60%.

While we appreciate that DfT was responsible for the work on the alternatives that involved upgrading existing infrastructure, the use of the 'do minimum' case (which has unrealistic crowding levels) is not an appropriate comparator for HS2.

We also have concerns about the demand modelling that has been conducted in support of the business case. The results do not appear to be consistent with each other, with the overall forecasts of demand appearing to be smaller than the disaggregated demands would allow.

Naturally we would not want to reach such conclusions without first checking our interpretation of the materials published by your organisation. Some of these matters were raised at the first seminar on 14 October, and attendees were promised a response in the QA that is to be published. Unfortunately this is yet to appear. In recent months it has not been possible to have the sort of dialogue that we would prefer, therefore we are obliged to draw conclusions as best we can.

However, if we have misunderstood your position, and it can be explained to us, we will be pleased to make appropriate changes. If, however, you prefer not to make comments on our paper, we will have little alternative but to assume that we have correctly interpreted the work.

I attach a copy of the report that we have produced. We have already sent a copy to Mark Weiner.

Yours Sincerely

A handwritten signature in black ink that reads "Hilary Wharf." The signature is written in a cursive, flowing style.

Hilary Wharf
Director, HS2 Action Alliance

Copies:

Mark Weiner, HS2 Ltd