



COMMISSION OF THE EUROPEAN COMMUNITIES

INTERNAL DOCUMENTATION
ON REGIONAL POLICY IN THE COMMUNITY

**CROSS-BORDER COMMUNICATIONS
STUDY FOR THE LONDONDERRY
AND DONEGAL AREA**

Summary report

No. 1 - April 1978

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CROSS-BORDER COMMUNICATIONS STUDY
for the Londonderry and Donegal Area

SUMMARY REPORT

Peat, Marwick, Mitchell & Co. (London)
Stokes, Kennedy, Crowley & Co. (Dublin)

October, 1977

This study was undertaken at the request of the United Kingdom and Irish Governments and was carried out by Peat, Marwick, Mitchell and Co. (London) and Stokes, Kennedy, Crowley and Co. (Dublin). It was jointly financed by the United Kingdom and Irish Governments and the Commission of the European Communities within the framework of Article 10 of the European Regional Development Fund Regulation.

The final report of this study is presented in three volumes: a summary report, the main report and technical notes. Only the summary report is published in this volume.

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The present study does not necessarily reflect the views of the Commission of the European Communities on the subject matter of the study nor does it necessarily anticipate the future attitude of the Commission on the topic.

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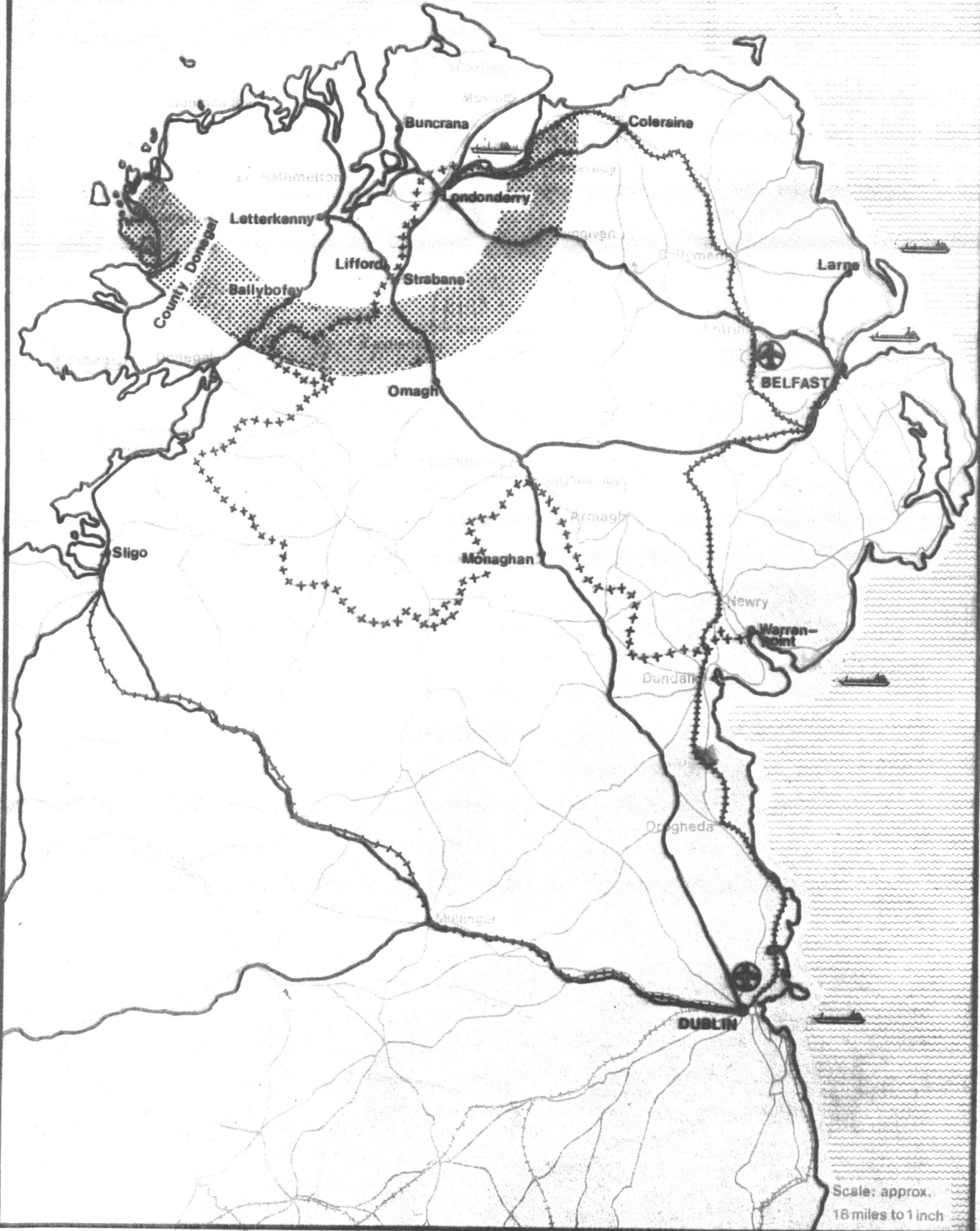
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LOCATION AND GENERAL EXTENT OF STUDY AREA

Figure 1.1



1. CONTEXT OF THE STUDY

BACKGROUND TO COMMISSIONING OF THE STUDY

- 1.1 The Londonderry and Donegal area, no less than other western areas of the United Kingdom and the Republic of Ireland, is at a basic disadvantage in terms of economic and social development by reason of its peripheral location, relatively remote from the largest centres of population and administration. Such regions seem for long to have lagged behind in deriving the benefits from technological advances and from the increasing commitment to public provision of facilities and services. The greater range of facilities provided in the large centres of population and the concentration of new developments there have together resulted in steady emigration from the peripheral regions of the young adult population, further weakening their ability to attract new development and leading to problems of severe economic and social decline. These problems are, of course, well documented and in recent years have become the focus of much attention and effort aimed at improving the position of peripheral regions.
- 1.2 Unlike all other peripheral regions of the Republic of Ireland and the United Kingdom, the Londonderry and Donegal area is also affected by the problems of being a region divided into two by the border between separate states. In such regions the emergence of different administrative, economic, legal and social systems on either side of the border, together with the physical imposition of a customs barrier, represents a major inhibition to the free exchange of goods and ideas and to the promotion and development of the region as a coherent entity. It could perhaps be argued that the Londonderry area has benefited from the imposition of the border, by virtue of its becoming the second city in the relatively small administrative unit of Northern Ireland. However, any such benefit has almost certainly been more than offset by the deterioration in access to markets and supplies in County Donegal, and by consequent decline in its role as a major regional centre. Donegal itself has clearly suffered by reason of its isolation, both physical and perceived, from the administrative capital of Dublin and by being deprived of ready access to the regional centre of Derry.
- 1.3 In these circumstances, the people and organisations of the north west have been forced to adapt their social and economic objectives. Londonderry and Strabane have had to look increasingly eastwards to Belfast and Great Britain for their inspiration and market prospects. In Donegal, many new functions have had to be developed locally and small towns such as Letterkenny have had to meet this situation by taking on new commitments. The strenuous efforts made locally and also by central government in Belfast and in Dublin have not, however, been sufficient to overcome the problems of the region, and this is reflected most dramatically in the high levels of unemployment which have arisen in the area and remained seemingly insuperable. No less tragic a reflection of the problems of the region has been the continuing high rate of emigration from the area.

- 1.4 Recent efforts to overcome the inherent problems of the peripheral and border location of the north west have, of course, been largely defeated by the effects of the security situation in Northern Ireland. Not only has this heightened the divisions between one part of the region and another, but it has imposed new and substantial deterrents to movement across the border. Externally, it has made the job of promoting the region to industrialists and tourists an unenviable and almost impossible task. The contrast with the mid-1960s when Londonderry was beginning to succeed in attracting new industry and Donegal was experiencing a rapid increase in tourism does, however, serve to illustrate the potential which exists for the future development of the region.
- 1.5 That the particular problems of the north west have been clearly recognised is well illustrated by the attention they have received in the recent past, most notably in a series of conferences and seminars organised in the area on the subject of regional development. The first of these was held as long ago as 1966 at Magee University College in Londonderry under the title of "The Development of an Area: West Ulster" and comprised papers relating to the development of the western Counties of Northern Ireland and of County Donegal. A second conference at Magee College in February 1973 examined the implications for the region of membership of the European Communities. From this, a Working Party evolved with membership from both sides of the border, which led to a seminar being held in November 1973 on "The North West and the European Economic Community Regional Development Fund". Most recently, a further seminar was held in Letterkenny in April 1976, under the auspices of the Regional Technical College, when the papers presented on regional development included one by the then Minister for Foreign Affairs of the Republic (Dr. Garret Fitzgerald). An underlying theme of much of this debate has been the need for cross-border co-operation in fostering regional development.
- 1.6 Until recently, however, the political climate and the administrative framework for decision-making have not favoured, and in some cases have positively hindered attempts at co-operation in tackling the problems of the region. It is the entry of the United Kingdom and the Republic of Ireland into the European Economic Community (EEC) in 1973 which has opened up new opportunities for a co-ordinated approach to regional planning in the north west. On the one hand, the removal of tariff barriers between member states and moves towards the harmonisation of procedures and systems in many fields of activity are helping to ease the movement of goods and people between states and to create new markets which straddle national borders. On the other hand, the organs of the EEC, and in particular the Regional Development Fund, have been paying particular attention to the problems of peripheral and border regions and have been seeking to direct funds towards assisting the development of these regions.
- 1.7 The best prospects for real progress in tackling the problems of a border region such as the north west must, however, lie in direct co-operation between the two Governments concerned. Recognition of this, and of the special interest of the EEC in the development of border regions, led the Governments of the Republic of Ireland and of the United Kingdom in 1976 jointly to seek the support of the EEC for a comprehensive study of transport and communications in the Londonderry and Donegal area.

- 1.8 Terms of reference for such a study were agreed between the two Governments and invitations sent out to consultants in March 1976 to submit proposals for carrying out the work involved. This led to the commissioning of Peat, Marwick, Mitchell & Co. of London in association with Stokes, Kennedy, Crowley & Co. of Dublin to undertake the Cross-Border Study. The study was launched at a press conference held in Londonderry at the end of September 1976. At the outset, a Steering Group was formed to monitor progress on the study and to provide advice and guidance to the consultants where required. This Steering Group has comprised representatives of the relevant departments of the two Governments and of the EEC.

TERMS OF REFERENCE FOR THE STUDY

- 1.9 The terms of reference agreed for the Cross-Border Study were as follows:

"To examine communications, including transportation (e.g. roads, railways, ports, airports, telecommunications) in the Londonderry and Donegal area in the light of existing projects and plans in order to determine their adequacy and to make recommendations for future development, having regard to financial constraints.

These broad objectives of study were developed in a brief for the consultants which described the nature of the assignment to be undertaken and which detailed the principal elements of the proposed study.

- 1.10 The brief for consultants laid emphasis on a number of important aspects of the study, including;

- (i) the need to relate examination of the adequacy of the transport and communications system to the prospects for economic and social development of the area,
- (ii) the importance to be attached to the requirements for improvement of the transport and communications system in the short to medium term (i.e. within 5-10 years), whilst also considering longer term developments,
- (iii) the need for the study to lead to recommendations on specific projects and programmes whose implementation could help to further the objectives of regional development,
- (iv) the particular attention to be given to the improvement of cross-border communications and to the implications for, and opportunities for, inter-agency and cross-border co-operation.

Reference was also made to the need for study recommendations for future development of the communications system to have regard to the likely availability of finance.

- 1.11 In their response to the terms of reference, the consultants proposed that the study should take the form of a broad but comprehensive review of current plans and proposals for regional development and for the improvement of communications. The study should be aimed at determining the priorities for improvement of communications facilities and services, both to ensure that there is sufficient capacity to meet the needs arising from future development projects and economic growth and to provide the ease of accessibility and communications which may be needed in order to encourage development of the area. It was proposed that the examination of regional and sector development plans should seek to identify suitable objectives and targets for growth, which could then serve as the basis for assessing future communications needs.
- 1.12 Separate examination was proposed for each main element of the communications system, with most attention being directed towards analysis of the need for road improvements and of the scope for improvements in public passenger transport services. At the same time, shorter but no less important evaluation would be made of the freight transport industry, port and air transport facilities, and postal and telecommunications services. The brief for consultants specifically directed that study of postal and telecommunications services should be limited to consideration of the need for improvement in services, leaving the methods by which improvements are obtained to be decided by the relevant authorities.
- 1.13 In the event, these proposals have been largely adhered to in the conduct of the study. In the later stages of the study, however, it became clear that certain topics were worthy of rather more consideration than had been anticipated at the time when the consultants' proposals were originally submitted. To this end, and with the agreement of the Steering Group, limited further investigations were carried out into the prospects for tourism development, into the possible implications of off-shore oil developments, and into the extent of customs documentation required for the cross-border shipment of goods.

APPROACH TO THE STUDY

- 1.14 Our approach has throughout encompassed three main themes of study. Firstly, we have considered the nature of existing problems and shortcomings and of the improvements required to overcome these. Secondly, we have examined the adequacy of current plans and proposals, in the light of both existing problems and projected or possible future changes in needs. Thirdly, we have formulated recommendations on the improvement and development of existing facilities and services which will, in our view, match better the present and future requirements of the area. Throughout, we have sought to look beyond the immediate constraints of the security situation in Northern Ireland and our recommendations, even for the short term, have been made with a view to providing the area with communications facilities and services at least on a par with those being provided elsewhere in the Republic of Ireland and in the United Kingdom.

- 1.15 A major issue in the study has been the extent of the relationship between improvement of the communications infrastructure and the rate at which new development can be encouraged to take place. The quantitative evidence for such a relationship is difficult to obtain, either in the north west or elsewhere, and the extent of the relationship has therefore remained largely undefined. However, the frequency and force with which industrialists and others express concern about poor communications suggests strongly that the ease of accessibility is a significant factor in generating development. Just how significant in relation to other factors influencing the location of new development - labour availability, financial incentives, etc. - is difficult to assess. In addition to its direct impact on decisions about the location of new developments, good accessibility may also exert an indirect influence on such decisions by rendering an area generally more attractive as a place to live and work in, thereby increasing the likelihood of skilled labour and management resources being available locally. Finally, of course, there is the direct effect which improved communications and easier accessibility can have in increasing tourism. However, uncertainties about the extent of these various links between accessibility and development have led us generally to look for a phased approach to improvement of the communications infrastructure. In this way, it is suggested that a proper balance may be drawn between demonstrating confidence in the future potential of the area through investment in infrastructure and seeking evidence that development benefits will materialise from such investment.
- 1.16 A prime aim of the study has been to identify the need for capital investment in improvements to the communications infrastructure. This is generally seen as the most direct and positive way in which government assistance can be brought to bear upon the problems of a region. No less important, however, is the need to create the right conditions in which that investment can be used to most effect. In the context of a region divided between two states, this must above all mean ensuring that the administrative framework exists which will allow co-ordinated development to take place across the border. The importance of this aspect of the study has been reflected in the attention we have devoted to the need for further co-operation between the authorities and agencies responsible for economic development and transport provision in the Londonderry area and in Donegal.
- 1.17 Alongside consideration of the need for capital investment in infrastructure, the scope for improvements in the services provided to the area has been a second major concern of the study. This has been particularly important in the fields of public passenger transport and postal services. The objective of such improvements may be either to increase the standard of service provided or to reduce the costs of providing services, or both. Often the improvements required in methods of operation are capable of early implementation, and by the operators themselves. Their implementation does not generally depend upon substantial capital investment, being concerned instead with making the best use of existing facilities. At the same time, it may well sometimes be the case that improvements in the services provided and in methods of operation are considered to be a necessary precursor to decisions on major investment in new or improved infrastructure.

Extent of Study Area

- 1.18 The brief for consultants for the Cross-Border Study indicated that a study was required "of the Londonderry and Donegal area, taking into account the geographical context in which Londonderry as a regional centre is placed and the extent to which other areas would generate traffic of any form". At an early stage in the study, we considered with the Steering Group whether it might be possible to define a single study area which would be relevant to all aspects of study. It was agreed, however, that no such rigid definition of the area of study would be practicable in the light of the wide-ranging nature of the study. Instead, it was decided to leave the interpretation of the study area open to variation between one aspect of study and another, according to the spheres of influence and areas of administrative responsibility involved on each side of the border. For many purposes, however, it has proved desirable to consider the study area as comprising Londonderry and Strabane, and their immediate rural surrounds, together with the whole of the northern half of County Donegal (north of the Barnesmore Gap), including the towns of Bunrana, Letterkenny, Lifford and Stranorlar/Ballybofey.
- 1.19 The study has been seen as essentially regional in character and concerned with communications links between the various urban centres of the study area and into those centres from the rural parts of the area and from centres outside the area. It has not been deemed appropriate within the cross-border study to look in detail at the problems of internal communications within the urban centres themselves, except insofar as these have important implications for regional links. To have done so would have radically altered the scale of study, and significantly extended its duration. In particular, therefore, we have not investigated the internal road traffic needs of Londonderry, which were specifically the subject of an earlier study carried out in 1970, nor the adequacy of the city bus services in Londonderry.
- 1.20 The regional character of the study, and the emphasis placed on the relationship between improved communications and regional development, have meant that considerable attention has been paid to the standard of the communications links between the study area and major centres of attraction elsewhere, including the national administrative centres of Dublin and Belfast. The need for improvements to these external links forms an important part of our recommendations. Inevitably, however, the case for improvement of these links will sometimes depend upon considerations of the needs of other areas, unrelated to those of our study area. This particularly applies, of course, to improvements to the main road links to major external centres, which can serve substantial volumes of intermediate traffic and on which movements to and from the study area may form only a small proportion of total traffic.

TABLE 1.1

PUBLIC SECTOR AUTHORITIES CONTACTED DURING STUDY

NORTHERN IRELAND

REPUBLIC OF IRELAND

Central Government Departments

Department of the Environment
Department of Commerce
Department of Education
HM Customs & Excise

Department of Transport and Power
Department of Local Government (now
the Department of the Environment)
Department of Posts and Telegraphs
Department of Industry and Commerce
Central Statistics Office
Department of Education
Department of Fisheries
Revenue Commissioners

Central Statutory Organisations

Northern Ireland Postal &
Telecommunications Board
Northern Ireland Tourist Board

An Foras Forbartha (National Insti-
tute for Physical Planning and
Construction Research)
Bord Failte Eireann (Irish Tourist
Board)
Bord Iascaigh Mhara (Irish Sea
Fisheries Board)
Gaeltarra Eireann
Industrial Development Authority (IDA)
Institute of Industrial Research
and Standards (IIRS)

Local Statutory Organisations

Londonderry City Council
Strabane District Council
Western Education & Library Board

Donegal County Council
Buncrana Urban District Council
Letterkenny Urban District Council
Donegal Regional Development
Organisation

Transport Undertakings

Northern Ireland Transport
Holding Company
Northern Ireland Carriers
Northern Ireland Railways
Ulsterbus
Londonderry Port & Harbour Commissioners

Aer Lingus
Coras Iompair Eireann (CIE)

- 1.21 A general indication of the extent of the study area is provided in Figure 1.1. This also shows the location of the study area relative to major centres of attraction elsewhere, and some of the main external transport links to these centres which we have been concerned with.

METHOD OF WORKING

- 1.22 In line with the brief for consultants and the proposals for a wide-ranging review of communications needs, it has been the aim throughout to work as far as possible within the limitations of available sources of data. To this end, a considerable period of time has been spent in gathering relevant information from the responsible authorities and agencies in the study area, in Belfast and Dublin, and elsewhere. Much assistance has been provided by the authorities concerned (including several government departments) in abstracting and collating the information required.
- 1.23 To embark upon any major new data collection exercise would not have been feasible within the general time scale of the cross-border study. However, in respect of each of the two major aspects of transport study - road traffic and public passenger transport - examination of available information showed that consideration of the adequacy of existing facilities and services would be hindered by a lack of data on journey origins and destinations. It was therefore decided, with the agreement of the Steering Group, that the time should be made available to carry out limited new surveys to help to overcome these deficiencies. The road traffic survey was confined to interviewing drivers at the five approved border crossing points in the study area and on the route through the Barnesmore Gap; this survey was carried out with the assistance of staff from Donegal County Council. The more extensive public transport survey comprised interviews with passengers travelling on each of the bus services of CIE and the Lough Swilly Company in the study area, including all of the cross-border services; interviewers were recruited locally to carry out this survey.
- 1.24 In addition to collecting data on the communications needs of the study area, it has also been considered of the utmost importance to obtain as full an understanding as possible of the problems of the area and of the issues to be resolved, as they are seen by those who have responsibility for, or a special interest in the future development and prosperity of the area. We have, therefore, undertaken an extensive programme of discussions with representatives of both the public and private sector. In the public sector, these discussions have encompassed the relevant government departments in Belfast and Dublin, together with their local representatives, the local authorities in the study area and the statutory development and transport authorities operating in the area; a full list of the public sector authorities contacted is given in Table 1.1. In the private sector, those contacted have included many of the industries already located in the study area, a number of the private transport operators based in the area, and the representative organisations of business and commerce. We have greatly benefited from these discussions and would wish to acknowledge the contribution of all concerned who have willingly given up their time to meet with us. The interest which has been shown in the work of the study seems to us to demonstrate the concern which is felt for the future of the area.

- 1.25 Wherever possible, an attempt has been made to make comparison between the situation prevailing in the study area and that to be found in other parts of the Republic and Northern Ireland. However, the opportunities to make such comparisons in a quantitative and meaningful way are limited. In some respects it has been found useful to draw upon experience of the situation in the north west of Scotland. In this connection, we would wish to acknowledge the benefit of the discussions we have had with the Highlands and Islands Development Board, Loganair Ltd., and the Scottish Bus Group Ltd.
- 1.26 Above all, however, the study has benefited from the experience of the Steering Group, composed of representatives of Government departments in Belfast and Dublin and of the EEC. The Steering Group has met with the consultants at about monthly intervals during the study, alternately in Belfast and Dublin. These meetings have served both to enable the progress of the study to be monitored and to provide a valuable forum for discussion of the major issues arising during the course of investigations.

2. SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

PROSPECTS FOR REGIONAL DEVELOPMENT

- 2.1 Our studies have highlighted both the opportunities for, and the constraints upon, the future economic and social development of the Londonderry and Donegal area. Experience shows clearly that there is no easy answer to the problems of the area, nor any single solution. The development of Courtaulds has had a significant impact on the Letterkenny area and some future oil-related development could possibly be of even greater significance for the study area, but no such development will by itself remove the need for continuing and intensified action to seek to attract new development in every sector of the economy. A major new effort will be called for if the long-standing and deep-seated problems of the area are to be tackled effectively, involving not only the commitment of financial resources but also new initiatives in cross-border co-operation. Our studies have, we believe, helped to identify the contribution which can be made to this effort through investment and co-operation in providing improved transport facilities and services for the study area.
- 2.2 The major problem of the study area has been, and continues to be, the severe shortage of jobs, leading to unacceptably high levels of unemployment and large scale emigration from the area of those of the population of working age. This emigration, in turn, creates further social and economic problems for the area in terms of a high level of dependence on the social services and a relative lack of skilled labour for industry. At present, the problems of the area are, of course, also compounded by the effects of the security situation in Northern Ireland. Unemployment in the study area is now estimated to be running at about 17% of those available for work. Emigration is more difficult to assess, but it may well still be running at levels of up to 1,500 persons leaving the area each year, despite the fall from the peak levels of the past. Neither unemployment on this scale nor emigration at this rate is acceptable to public opinion or the responsible authorities.
- 2.3 The job shortage in the area is made worse by the continuing decline in agricultural employment as farming methods are improved, and by the narrow employment base in manufacturing industry, where the textile industry predominates. Agriculture still accounts for 19% of all employment in the study area, whilst textiles provide about 50% of jobs in manufacturing industry. The decline in agricultural employment means that substantial numbers of new jobs have to be found just to prevent the situation from getting any worse, whilst the dependence on textiles renders the area very susceptible to cyclical trends in different sections of that industry.
- 2.4 Thus, regional development for the Londonderry and Donegal area must be seen first and foremost in terms of job creation and the attraction of new types of employment. The authorities concerned have made strenuous efforts to attract new development and employment to the area in recent years, emphasising the advantages of a willing workforce and an attractive environment, and the availability of substantial financial incentives. These efforts have, however, met with only limited success, and the new jobs created have generally been no more than sufficient to offset those lost in agriculture and by redundancies in existing industry.

- 2.5 The efforts of the development authorities and agencies have obviously been seriously hampered by the security situation in Northern Ireland. This apart, however, efforts to attract new development to the area appear to us to be unduly hindered by the inadequacies of the existing transport and communications infrastructure serving the area, particularly in Donegal. Good accessibility often appears high in the shopping list of requirements for the industrialist or developer looking for sites for expansion; and, accessibility generally comes under close scrutiny where consideration is being given to locating in an area which lies on the periphery of major markets. The importance of accessibility is confirmed by the views of those already operating businesses in the area, who often claim that they have to make special provision to overcome the problems of poor accessibility and who vigorously complain about the standard of the facilities and services available.
- 2.6 Also in our view rendering it more difficult to attract new development is the presence of the border, dividing the study area into two parts which are effectively treated as two entirely separate areas for development by the responsible authorities. Until recently, there would appear to have been relatively little appreciation of the importance of co-operation across the border in securing improvement of the communications facilities of the area and in effectively promoting its development potential. Planning seems often to have proceeded largely in isolation on either side of the border; and, in some respects, there has been direct and, as we see it, unhelpful competition in promoting the interests of one part of the area over another.
- 2.7 Recently, however, there are signs that the seriousness of the problems facing the area, and their seeming intractability, have been leading to a significant change in approach. This has been reflected in a number of local initiatives in cross-border co-operation and has culminated in the commissioning of the present study. It seems to us vital to the prospects for future development that these initiatives for cross-border co-operation should now be built upon. If this does not happen, there can, in our view, be little expectation of any significant improvement in the economic situation, with the likelihood that unemployment and migration will continue unabated. We believe, however, that development and promotion of the area can be considerably enhanced, provided that funds for the improvement of communications can be made available and that suitable approaches to cross-border co-operation can be established and maintained.
- 2.8 Whilst there is some scope for the development of indigenous industries (including agriculture and fisheries) and for general expansion of the service sector, the main potential for job creation must lie in the attraction of new manufacturing industry to the study area and in the development of the tourism sector. Both manufacturing industry and tourism are very much dependent upon good accessibility. Industry has to rely on rapid access to markets and supplies, whilst the success of tourism depends, in part, on the ease with which an area can be reached. Our studies lead to the conclusion that there is much that can be done to improve accessibility, which would render the study area more attractive both for industrial development and tourism.

- 2.9 Given that accessibility is improved and that the area can be more comprehensively promoted, then it would seem to us reasonable to look for a resurgence of interest in the potential of the Londonderry and Donegal area for new development, as the security situation improves. In these circumstances, the particular advantages of the study area, including the excellent reputation of its workforce and the attractive environment it affords, should become more decisive factors in decisions on new development. When coupled with the financial incentives offered to developers, these should be sufficient in many cases to offset the inherent economic disadvantages of the peripheral location of the study area.
- 2.10 In the following paragraphs of this summary, we set out our views on possible development objectives for the study area and the factors which seem likely to contribute most to the attainment of those objectives. In particular, we summarise our conclusions and main recommendations on the improvement of each element of the communications system. These recommendations are then drawn together in a statement of an overall programme for improvement of facilities and services, with special attention given to proposals for cross-border co-operation in implementing improvements.

DEVELOPMENT OBJECTIVES AND THEIR ATTAINMENT

- 2.11 In reviewing the prospects for regional development, we have sought firstly to specify the levels of future job creation implicit in pursuing various development objectives for the study area. Targets for job creation can be established on the basis of various assumptions about population growth, migration patterns, unemployment levels and the loss of existing jobs, but it needs to be remembered that the relationships between economic performance and demographic trends are complex and that success in creating new jobs and reducing unemployment can in itself affect migration patterns and population growth. Any particular target for job creation should not therefore be considered as a rigid specification of future development objectives but rather as a pointer towards the achievement of those objectives.
- 2.12 Past development plans provide little help in considering the future economic development of the study area. National economic planning has not generally attempted to define objectives or targets at the local level, whilst the statutory plans prepared for the constituent parts of the study area have been more concerned with long-term physical development than with economic performance. The most specific analysis is to be found in the short-term regional plans of the Industrial Development Authority in the Republic. The plan for County Donegal called for the creation of 2,500 net new jobs in manufacturing industry and the services during the period 1973-77. In the event, it would seem that whilst new job creation may have come near to matching such a figure, this has been very largely offset by losses in the manufacturing sector during the recent recession.

- 2.13 An assessment of the possible longer term requirements for new jobs involves consideration of future population growth and the expected increase in the study area workforce. Current official projections for the Londonderry and Strabane Districts assume that the existing trend of out-immigration will continue, though at a reduced rate. For Donegal, a recent projection prepared by the County Council assumes no further net migration from the County. Accepting the Northern Ireland figures but assuming a lower and, in our view, more realistic figure for north Donegal (in line with national projections for the Republic), the total population of the study area is forecast to increase by about 15 percent over 20 years; the current (1976) population of the study area, comprising the Londonderry and Strabane Districts and the northern part of County Donegal, is estimated to be just under 200,000.
- 2.14 To cater for the expanding workforce implicit in this forecast of population growth, and to offset the expected continued fall in agricultural employment, means a requirement for 11-12,000 new jobs in the study area over the next 20 years if the percentage of the population out of work is not to rise. This figure is net of any requirement to offset redundancies from existing employment in manufacturing or service industries. Thus, an average net job creation figure of up to 600 per year is likely to be required in order broadly to maintain the status quo. A higher figure will be required if the rate of unemployment is to be lowered and/or the level of out-migration from the area is to be reduced below that implicit in the population forecasts. This indicates the scale of the problem facing the area. Past performance is perhaps little guide to future prospects in view of the recent recession and the effect of the security situation in Northern Ireland. However, it must be clear from these figures that a substantial and sustained effort will be required if any significant impact is to be made on the economic problems of the area.
- 2.15 About 2,500 out of the 11-12,000 new jobs required over the 20-year period are needed to offset the expected fall in employment in agriculture. Farm sizes in the study area remain in general small and the continuing trend towards greater efficiency is likely to mean larger units and a declining workforce. Elsewhere in the primary sector, some expansion in forestry and the fishing industry can be expected, with special attention being merited for shore-based fish processing and coastal fish farming. The labour content involved in any expansion is, however, likely to be small.
- 2.16 In the services sector, rising expenditure levels and population growth should lead to some general increase in jobs in the construction industry, local government and commercial employment. Also, a significant increase in jobs in services to industry can be expected as a result of any expansion of the manufacturing base, with at least one new job in the services sector following from every two jobs created in manufacturing industry. However, the greatest scope for positive promotion of the services sector probably lies in the field of tourism development. The tourist industry in the study area has seen little growth in recent years, chiefly as a result of the security situation in Northern Ireland. With an improving situation, we suggest that a doubling of tourist numbers ought to be possible within about ten years, although the employment impact of such an increase is difficult to estimate. To achieve growth on this scale would, however,

require that a substantial investment be made in new and improved facilities. It would, in our view, also be considerably aided by more fully integrated promotion of the facilities and attractions of the whole of the study area, on both sides of the border, and by improvements in access to the area, particularly by road.

2.17 It is, however, in the manufacturing sector that the bulk of new job creation must be found. A minimum long-term target for job creation in the manufacturing sector is probably an average of 300-400 new jobs per year, net of any requirement to offset redundancies in existing industry, with somewhat higher figures required if any significant inroads are to be made into the economic problems of the area. Moreover, this target embraces a need for diversification of the manufacturing base to reduce the degree of dependence of the area upon the fortunes of the textile industry. In the immediate future, it seems very unlikely that growth on this scale can be achieved whilst the effects of the security situation in Northern Ireland persist. In the longer term, however, we see no reason why such a minimum target should not be reached and exceeded, given the right conditions for attracting new development to the area. In our view, these conditions include a co-ordinated approach to presentation of the advantages of the area as a location for new development and the improvement of communications facilities to offset the inherent economic disadvantages of operating from a peripheral location. Our discussions with industrialists already located in the area have also suggested that there may be a need for the enhancement of industrial training facilities (to provide manpower suitable for immediate use on the factory floor) and for the further development of locally-based engineering support services.

2.18 As far as improved communications are concerned, the three prime areas for attention to emerge from our discussions with industrialists and development agencies were:

- modernisation of the telephone system to provide improved services, both in north Donegal and for cross-border calls,
- improvement of road links to provide easier access to ports, airports and major centres of population (chiefly to Belfast and Dublin),
- provision of local air transport facilities and services to facilitate executive flying into and out of the area.

Other issues to be mentioned frequently were the need for a reduction in the extent and complexity of the paperwork associated with the cross-border movement of freight, and for improvement of the postal services. The outcome of these discussions has been given particular consideration in developing our recommendations for improvement of communications, outlined in the following paragraphs. At the same time, we have been conscious of the importance of promoting the social development of the area in terms of creating better conditions in which to live and work.

ROAD TRAFFIC

- 2.19 Much has been done to improve the road system of the study area in recent years, and also the important long-distance road links to major centres elsewhere (including Belfast and Dublin). Improvement has been more extensive in Northern Ireland, but much remains to be done on routes in north Donegal and on cross-border routes. Substantial lengths of these remain well below the standard of width and alignment which is now generally looked for on main traffic routes. Also, only limited progress has been made in coping with the problems of through traffic in urban areas. We consider improvement of the main road system serving the study area to be of high priority both on social grounds, to cater for the increasing aspirations of the population to own cars, and on economic grounds, to improve accessibility for industry and tourists. Obviously, there are practical limits to the rate at which road improvements can be implemented, and the availability of funds will play a major role in determining the progress which can be made in carrying out a large-scale programme of capital investment. However, whilst appreciating that the authorities concerned will need to have proper regard to the competing claims of other areas on limited resources, we would hope that some means could be found of recognising the particular requirements of the study area.
- 2.20 Car ownership is at present relatively low in the study area, averaging only one car for every five persons. There is no reason to doubt that substantial future growth in car ownership will take place, particularly in Donegal where ownership is lower than average. Coupled with increases in population, this is forecast to lead to a growth in car traffic of over 150% over the next twenty years. The increase in commercial vehicle traffic is likely to be rather lower, because of a continuing trend to the use of larger vehicles, but this in itself will place special demands upon the road system.
- 2.21 On economic grounds, it is the improvement of access to external markets and centres of attraction which will do most to assist the future development of industry and tourism. This requires improvement of both the routes leading to and from the study area and those routes within the area which serve to feed traffic to these external links. Particular importance, attaches, in our view, to the improvement of the major external road links (to Belfast and Larne and to Dublin), along which most goods moving to and from the study area are routed. In this respect, we would urge that the highest possible priority be given to completing the remaining improvements required on the Belfast link (notably, near Castledawson and through Dungiven); and, to further up-grading of the direct route to Dublin (via Monaghan), notably south of the border in the Republic but also in Northern Ireland at Newtownstewart (within the study area) and Omagh, and near Aghnacloy.

- 2.22 Within the study area, we have examined in detail the possible future need for improvement of all main inter-urban roads at present carrying average traffic volumes in excess of 1,500 vehicles per day. Having regard both to traffic needs and to the aim of providing improved access for industry and tourists, we have drawn up a programme for improvement of the main road system over the next 20 years, i.e. to the mid-1990's. Overall, we envisage that most sections of main road, not already improved, will require improvement within the 20-year period, though not generally to more than two-lane (i.e. 7.3 metre width) single-carriageway standard.
- 2.23 Within the overall programme for main road improvement, we have indicated firm priorities through to 1985, the timing of requirements thereafter being obviously subject to much greater uncertainties about the rate of future traffic growth. In line with our views on the importance of access to major centres outside the study area, we accord high priority to the improvement throughout of the routes from Letterkenny and Buncrana to Derry, which provide the main links from much of north Donegal into Derry and thence eastwards to Belfast and Larne. Coupled with provision of the second bridge at Londonderry, these improvements should greatly increase the standard of accessibility for industry locating to the west of the River Foyle and for tourists attracted to north Donegal. A second area of priority relates to the improvement of access southwards to Dublin, and our recommended programme to 1985 incorporates the completion of improvements to the Strabane-Omagh road (in the shape of by-passes to Newtown Stewart and Sion Mills) and the upgrading of the Lifford-Strabane border crossing link; in the longer term, we would look also to further improvement of the Letterkenny-Lifford and Londonderry-Strabane roads. The final area of priority meriting at least some attention in the period to 1985 is the provision of improved access into those parts of north Donegal to the north west of Letterkenny. Here, we think it important to begin the substantial task of improving the route north from Letterkenny, initially as far as Kilmacrennan.
- 2.24 These same areas of priority are taken into account in our assessment of the need for improved routes for through traffic in urban areas. We have drawn attention to the value of the second bridge at Londonderry from a regional viewpoint, in terms of improving access to and from the west of the River Foyle for long-distance traffic, facilitating work journeys across the Foyle (more particularly, between north Donegal and the Maydown industrial area), and providing easier access to air transport services at Aldergrove, and locally at Eglinton airfield should this be developed as a future regional facility. Similarly, the planned traffic relief scheme for Strabane (on which work is due to begin in 1978) should be of considerable benefit to the study area in facilitating access southwards to Dublin. In Letterkenny, construction of an inner relief road is already under way and should do much to benefit traffic to and from the north west of Donegal. Elsewhere in the study area, we would suggest that early consideration needs to be given to the provision of a by-pass to the Stranorlar/Ballybofey area. The case for such schemes must, of course, be seen in terms not just of traffic benefits but also of the significant improvement of the environment in town centres which will result.

- 2.25 The total cost of completing the programme of main inter-urban road improvements recommended for the study area is estimated to be about £18 million (at present prices). In addition, the provision of a second bridge in Londonderry (now approved by Government) will cost about £14 million, for which the major justification lies in benefits to internal traffic movement within the city; and, other urban through routes will cost a further £2 million. Of the total amount, about £10 million is accounted for by inter-urban road schemes which on present indications will not be required until after 1985. Whether such a programme proves to be feasible must obviously depend upon whether the necessary funds can be made available, having regard to competing claims on resources. We would emphasise, however, that expenditure broadly on this scale is in our view necessary if the study area is to be provided with a main road system of the standard already provided in some other areas and likely to be expected by those taking decisions on new development.

FREIGHT TRANSPORT

- 2.26 The functioning of manufacturing industry and commerce in the study area is clearly in part dependent upon the efficiency of the freight transport industry serving the area, and this may be a particularly important factor in determining the costs of business operation in an area relatively distant from supplies and markets. The opportunities for direct government influence on efficiency in freight transport are, however, rather limited, since many companies choose to transport goods in road vehicles operating on their own account, and the public road and rail haulage services on which others must depend are operating on a highly competitive basis. Moreover, much of the influence which government can, and does have on efficiency stems from national licensing and regulation of freight transport, which is beyond the general scope of this study.
- 2.27 The local impact of national regulations is seen most clearly in the predominance of hauliers based in Northern Ireland, the restrictive licensing legislation of the Republic having effectively prevented the development of any significant haulage industry in Donegal. This predominance is further strengthened by the generally lower costs of haulage operations which prevail in Northern Ireland, where rates up to 30% lower can be quoted. As a result, the small proportion of cross-border freight traffic not carried in own-account vehicles is mainly handled by hauliers operating from bases in Northern Ireland.
- 2.28 A major factor in determining the efficiency of freight transport operations locally is the substantial imbalance which exists in traffic flows into and out of the study area; inbound flows are understood to be as high as three times the volume of outbound traffic. This tends to favour locally-based hauliers who can relate the scale of their operations to the volume of traffic to be handled out of the study area, with reasonable assurance of being able to obtain 'back-loads' into the area. At the same time, a situation is created in which hauliers based elsewhere have to engage in a considerable amount of one-way working into the area. They also seem to experience difficulties in matching up their operations

with those return loads out of the area which are available to them, and some improvement in efficiency might therefore be gained if special parking facilities were to be provided in Londonderry to enable commercial vehicles to await the availability of return loads. A lorry park would also be of benefit to vehicles awaiting customs clearance and waiting to gain access to the port.

- 2.29 The need for much goods movement to pass through customs clearance at the border obviously has a significant bearing on freight transport activities in the study area, and the impact on north Donegal is particularly severe. Much concern has attended the extent and complexity of the documentation required for cross-border movement, and the costs imposed on goods transport. We understand from our enquiries, however, that the removal of tariffs this year, as the Republic and the United Kingdom complete their transition into the EEC, should greatly reduce this burden. At the same time, we think that some further simplification of the remaining documents may still be possible and should be investigated further.
- 2.30 Entry into the EEC is also likely to lead in due course to a number of regulations affecting the operations of the freight transport industry. Of most significance would be those relating to the proficiency of hauliers and the limitation of drivers' hours. The extension of limitations on drivers' hours to domestic traffic within the Republic and within the United Kingdom could lead to the costs of longer distance movements from the study area being increased by up to 20%, although this might be offset to some extent by greater co-operation between hauliers.
- 2.31 An important element of goods movement into the study area is freight sundries traffic, and particularly so for smaller businesses. However, the standard of cross-border service provided at present is often far from satisfactory, in terms of the transit times achieved. In particular, sundries traffic from Dublin to the Derry area is being frequently delayed by the current practice of giving customs clearance in Belfast. An immediate improvement in this service should be possible if traffic were to be forwarded direct to Derry under seal, for clearance at the Waterside rail depot.
- 2.32 A more far-reaching consideration in respect of cross-border sundries traffic is the fact that Londonderry is not fulfilling its natural role as the consolidation centre for traffic to north Donegal. Traffic from Dublin to Donegal, which is rail-borne to Derry, is at present carried through Northern Ireland in sealed containers to depots in Donegal from where deliveries are organised. New arrangements recently introduced by CIE in Dublin to minimise the re-handling of traffic before delivery should help to improve the standard of service, but we think that further benefits could be gained if deliveries could be organised direct from the Waterside rail depot in Derry. The greatest benefit would accrue to sundries traffic for Donegal from Great Britain and the Belfast area, for which no satisfactory forwarding arrangements exist at present. To this end, we recommend that a small bonded area be set aside within the Waterside depot where consolidation of all sundries traffic for Donegal could take place under customs supervision. In the rural parts of north Donegal, deliveries of small volumes of sundries traffic can only be handled at relatively high cost and with an infrequent service. In these circumstances, there would seem to us to be some scope for utilising suitably modified buses to combine the freight sundries operation with the provision of passenger services, which also cater for low levels of traffic.

- 2.33 The only rail freight link with the study area is the daily service of CIE between Dublin and Londonderry. This service carries a relatively small volume of traffic (about 50,000 tons in 1975), but makes a significant contribution to the finances of the rail line to Londonderry. The present facilities for freight traffic at the Waterside depot are regarded as unsuitable and the future of the freight service (including redevelopment of the Waterside depot) has been under consideration for some time. We understand that, as yet, no agreement has been reached between CIE and Northern Ireland Railways about redevelopment. In our view, any decision on redevelopment should only be taken in the light of detailed studies of traffic potential and redevelopment costs, and after a full evaluation of all the implications for the study area.

PUBLIC PASSENGER TRANSPORT

- 2.34 Many of those living within the study area remain dependent upon public transport services for their mobility. The standard of service provided, both by the local bus system and on long-distance bus and rail links, is therefore an important aspect of the social well-being of the area. However, rising costs of operation and declining patronage, as car ownership grows, render it increasingly difficult to maintain service standards, more particularly in rural areas. In the absence of specific revenue support from government for the local bus services of the two national operators (CIE and Ulsterbus), rural services have to be cross-subsidised from profitable long-distance services, whilst the smaller Lough Swilly Company can only continue to operate cross-border services and services in north Donegal by charging fares substantially higher than elsewhere. In these circumstances it is essential that every opportunity should be taken to minimise the costs of service provision. Our studies suggest that there is considerable scope for the reorganisation of operating patterns and routes, both to reduce costs and in some cases to improve the standard of service.
- 2.35 The total annual cost of providing bus services in the study area (excluding Londonderry City services) is estimated to have been about £1.8 million in 1975, of which a significant proportion is incurred in meeting the requirement to provide transport for children to school. Different approaches are adopted towards the financing and provision of school transport in different parts of the study area and these have a substantial effect on the extent of vehicle (and crew) resources required during the morning peak period of travel. We think it desirable that the provision of school transport should as far as possible be fully co-ordinated with the operation of local stage-carriage services in order to minimise the peak vehicle requirement. In particular, we would urge that consideration be given to amending the service licences of the Lough Swilly Company to enable advantage to be taken of opportunities for greater co-ordination of school and stage services in north Donegal. We are concerned also at the possible cost implications of the long-term policy to segregate school transport arrangements from the provision of stage-carriage services in the Londonderry area.

- 2.36 The revenue earned by local bus services could, in our view, be increased somewhat if fare scales could be modified to make longer journeys by bus more attractive. Also, much greater use could be made of promotional fares to encourage optional travel. In the more sparsely populated areas of north Donegal, the revenue-earning potential of local bus services could be improved by using vehicles suitably converted to enable freight sundries traffic to be carried on mid-day journeys. The costs of the separate operation of a sundries delivery service could then be avoided.
- 2.37 The long distance bus and rail services to and from the study area carry up to 1,500 passengers per week in each direction in winter and up to double that number in the summer. In our view, the standard of service for long distance travel could be considerably improved by providing more convenient service timings and arranging for better connections with local bus services; and, we think that greater co-operation between the operators is called for in order to achieve this. In particular, the express bus services of CIE and Ulsterbus to and from Dublin could be jointly arranged to provide a better spread of service timings through the day, with more convenient connections from the outlying parts of north Donegal. The establishment of through-ticketing arrangements between local and long distance bus services would be of much benefit to users, whilst the routing of Lough Swilly services into the Foyle Street terminus of Ulsterbus and CIE services in Londonderry would be of specific assistance to passengers from north and west of the city wishing to transfer to long-distance services, or indeed to local services to other parts of the city. Also in Londonderry, access to the rail service to Belfast could be substantially improved if a local city bus service were to be operated specifically to connect with train departures and arrivals at the Waterside station.
- 2.38 A clear need exists for improved public transport links between the study area and Aldergrove for air travellers. We recommend that further consideration should now be given to operating a high standard express service from the Londonderry area on a year-round basis. Careful attention needs to be paid to the timing and routing of such a service, in relation to aircraft departure and arrival times and passenger origins and destinations in the study area.
- 2.39 The long-distance bus services from the area are understood to contribute significantly to the overall finances of Ulsterbus and CIE operations in the study area. In this respect, the special role of the Lough Swilly Company in carrying passengers locally to and from long-distance services is deserving of particular consideration in any arrangements for through ticketing. All three operators are believed to be suffering as a result of unlicensed long-distance services apparently being provided on a substantial scale by private operators from north west Donegal. The erosion of the revenue-earning potential of the scheduled service operators is now on a scale sufficient to give rise to serious concern for the longer term implications of continuing unlicensed operations. We therefore suggest that early consideration needs to be given to possible ways of bringing these operations under some reasonable measure of control, without destroying the demand for long-distance travel which they have helped to generate.

- 2.40 The physical facilities associated with public transport travel in the study area leave a good deal to be desired in a number of respects. The greatest concern attaches, in our view, to the standard of comfort afforded by the vehicles being used on the services of the Lough Swilly Company (into Derry and within north Donegal), the average age of which is nearly 20 years. The investment required to overcome this situation is clearly beyond the present resources of the Company itself, and we therefore suggest that the two Governments should jointly determine how best to provide the financial assistance necessary to ensure that standards of passenger comfort are brought up to acceptable levels. Passenger comfort is also inherent, along with safety, in our recommendations that new or improved passenger facilities should be provided as soon as possible at the bus terminus in Letterkenny, at the Foyle Street bus terminus in Londonderry, and at the Waterside terminus of the rail line at Londonderry.
- 2.41 In the longer term, the major factor determining the future extent of local bus services will be growth in car ownership, which is expected to double within twenty years. The proposals we have put forward for the rationalisation of service patterns could do much to improve the position in the short term, but further economies will be called for as car ownership rises and patronage declines. In due course, pressures are likely to arise for significant withdrawals of loss-making services, with consequent hardship for those in rural areas without access to cars. In these circumstances it seems to us desirable for the longer term to establish policies towards rural transport provision which will reflect the social and economic objectives of rural development. Although this is a national problem, special concern must attach to the situation in north Donegal, much of which is served by a private bus company having limited resources and operating from a base across the border in Derry. We think it important for the longer term that the area should not be unduly penalised by reason of the size or cross-border status of the Lough Swilly Company and would suggest that the position requires further consideration by the two Governments.
- 2.42 Also of concern for the longer term must be the future of the rail link between Londonderry and Belfast. Although handling most public transport travel between the study area and Belfast, the rail service is far from profitable and, despite a significant contribution from freight service revenue, the line has recently required support to the extent of about half its total costs. We think it possible that more effective marketing of a service better tailored to passenger requirements could lead to a worthwhile increase in revenue, but there is every likelihood that the need for subsidy will continue on a substantial scale. The continued provision of subsidy is a matter for political decision, to be influenced by social and economic considerations which extend well beyond the study area. Any decision on the future of the rail link should only be taken after a full examination of the costs and benefits attributable to the entire line.

PORT DEVELOPMENT

- 2.43 Port facilities and shipping services are important to the economy of the study area, as indeed to the rest of the Republic and Northern Ireland, because of the need to import commodities and raw materials from overseas and because locally-based industry must look to larger markets overseas particularly in Great Britain. However, east coast ports such as Belfast and Dublin have the advantage of much better shipping services, by reason of their close proximity to the main centres of population and the short sea crossing to Britain, and their position is strengthened still further by the improvements which have been made in road access in recent years. As a result, the traffic handled at Londonderry is now only about ten percent of the total tonnage for Northern Ireland and the role of the port is very largely confined to handling bulk commodities (chiefly fuel imports). Other ports within the study area either serve the fishing industry or handle only small volumes of local imports.
- 2.44 We see no reason to expect that the role or activity of commercial ports in the study area will greatly expand in the future, or can be induced to do so; and, we could not therefore recommend that major speculative development of port facilities be promoted within the area. Rather, proposals for port development need to be based upon clear expectations of new or increased traffic in specific commodities or be justified in terms of better catering for existing traffics. Above all, it seems to us desirable from the regional viewpoint that the port at Londonderry should be enabled to provide as efficient a service as possible for those bulk traffics at present being handled in significant quantities. In a port with high fixed costs (partly as a result of dredging requirements), the major concern must be to avoid any tendency to move into a downward spiral of decline, where reductions in traffic levels lead to significantly higher port charges, which in turn lead to still further reductions in traffic.
- 2.45 The immediate need at Londonderry is to provide a new transit shed and cattle pens to replace those lost as a result of road improvements, although it would seem to us desirable that expenditure on cattle pens should be minimised in view of the uncertainties surrounding the live cattle trade. We think that early consideration should also be given to the possibility of developing new coal handling facilities at Pennyburn, adjacent to the present or intended yards of most local merchants. More generally, there is a need to seek to reduce handling costs at the port, through improved manning practices and the use of better handling equipment.
- 2.46 For the longer term, we think that the possibility of moving the entire port down-river to Lisahally could only be considered further if there were to be any change in present plans for the second bridge crossing of the Foyle, although we would envisage that some new facilities might in future need to be provided at or near Lisahally to serve specific industrial activities which may wish to locate to the north east of the city. As far as general port facilities are concerned, we would look to the possibility of concentrating future developments around the existing dry dock area. The new transit shed will be sited in this area, which should be well situated in relation to future road access; this area also offers future scope for providing better back-up areas and port security than exist at present. We suggest that the possible future development of the dry dock area should therefore be the subject of detailed study, with a view to drawing up plans for the phased provision of new facilities compatible with immediate requirements and future traffic prospects.

- 2.47 At the smaller ports within the study area, new facilities are only likely to be justified in relation either to the specific development of local industry or commerce dependent upon bulk commodity shipments or to the off-shore activities of the fishing or oil industries. In this connection, the planned provision of new facilities at the fishing port of Greencastle could be of significant benefit to Inishowen in creating new employment in shore-based fish processing units.
- 2.48 Off-shore oil developments could, of course, generate a substantial new requirement for port and other on-shore facilities and could have a major impact on the economy of the study area. We would doubt, however, whether any significant investment in on-shore facilities would be worthwhile in the context of the present limited exploration programme off the Donegal coast, or indeed be feasible within the time scale involved. On the other hand, any extension of this initial programme as a result of finding oil, and in particular the finding of oil in commercial quantities, would open up major opportunities for substantial new development within the north west. The best prospects for securing maximum benefit to the study area in such a situation would seem to lie in a development package which couples use of the deep-water facility at Rathmullan with access to the established engineering and other back-up services available in Derry. Such an approach calls for close co-operation between the two Governments, and would need to be evolved rapidly once any oil developments appeared likely.

AIR TRANSPORT

- 2.49 A growing proportion of the population now make at least some use of air transport facilities, and business looks increasingly towards air travel in the efficient conduct of management and sales activities. In many respects, increased air travel is concomitant with economic growth, and with this in mind there has been considerable debate in the north west in recent years about the need for improvement of the limited air transport facilities which are available locally. Nationally, however, the provision of air transport is looked upon as primarily a matter for commercial decision, and we would expect therefore that any development of air transport in the study area would have to be related to clear evidence of demand for air travel. At the same time, we consider it important that regional development should not in any way be constrained by lack of air transport, and we think that some modest initiatives in supporting air transport may be justified in order to help attract new development to the area.
- 2.50 The major airports serving the study area are those at Belfast (Aldergrove), for services to Great Britain, and at Dublin, for direct services to Europe and North America. The range and frequencies of domestic and international services available at these two airports could never be matched at a regional level; and, we think that attention should be directed towards improving access to these airports rather than seeking to duplicate services locally. We have pointed to the need to improve public transport access to Aldergrove and have suggested that high priority should be attached to improvement of the main road link to Dublin.

- 2.51 Within the study area, the best conditions for the development of locally-based air services would seem to be found at Eglinton airfield, to the north east of Londonderry, because of its proximity to the main centre of population and because of the availability of a surfaced runway. Regional access by road to Eglinton would be much enhanced by the road improvement programme we have recommended, which attaches high priority to completion of improved routes from Buncrana and Letterkenny into Londonderry, and by the planned construction of the second bridge at Londonderry. Elsewhere in the study area, the opening of the airstrip developed by Gaeltarra Eireann at Carrickfinn should help considerably to reduce the perceived isolation of north west Donegal, particularly for businesses located in the area. We think also that there will be a continuing need for a similar airstrip facility in the Letterkenny area, perhaps at a new site, but still primarily intended for flights into the area (including those arranged by local interests).
- 2.52 At Eglinton, the Londonderry City Council has taken the initiative of supporting the local flying club in obtaining the re-instatement of basic facilities, which will allow executive flying into the area and should also encourage the development of local air taxi services. We think it important now to monitor carefully the use which is made of this facility and the rate at which traffic grows, before deciding on any further development of facilities. Should sufficient demand materialise, then it would seem to us appropriate in, say, 3-5 years time to consider the case for further investment, to provide facilities for night flying, to enable the airfield to cope with larger aircraft, and to provide basic passenger handling facilities.
- 2.53 Most of the demand for air travel from the study area, which is not satisfactorily met by use of Belfast (Aldergrove) or Dublin airports, could be catered for by the availability of air taxi services from local airstrips, particularly catering for the demands of business travel. Indeed, the future development of local air transport is likely to be greatly influenced by whether air taxi operations based at Eglinton prove to be a commercial proposition. Whether this happens may depend upon the extent to which local businessmen co-operate in arranging their travel demands so as to share the cost of using air taxi services and thereby sustain the demand for a locally-based facility. In due course, the upgrading of facilities at Eglinton could open up opportunities for larger-scale charter operations, particularly to bring tourists to the area.
- 2.54 On some routes it is possible that the potential demand for air travel could be sufficient to support the operation of locally-based (third-level) scheduled services. Experience suggests, however, that the demand for such services only materialises gradually and that an initial period of financial loss must generally be expected before viability can be reached. As far as services to Great Britain are concerned, the range of services already available from Aldergrove airport leads us to the view that any development of scheduled services from the study area should be based entirely upon commercial judgement (and subject, of course, to the normal licensing requirements). The provision of a new air link between the study area and Dublin needs, however, to be considered in a different light. The provision of an air link to Dublin could, in our view, make a significant contribution to improving access

to the study area, bearing in mind the nature of the public transport alternatives available and the road distance involved. From an operating viewpoint, the most practicable proposition would be a (cross-border) service operating to and from Eglinton, and supported by suitable local transport arrangements for access from west of the River Foyle. We therefore recommend that the two Governments should jointly examine in greater detail the possibility of establishing a Dublin-Londonderry air link, initially with financial support made available to the selected operator for a trial period of, say, 2-3 years until the prospects for longer term viability could be clearly assessed. We suggest that, within the short term, this could perhaps provide a special opportunity to attempt to influence the prospects for development of the area.

POSTAL AND TELECOMMUNICATIONS SERVICES

- 2.55 The standard of postal and telecommunications services has for long been considered a matter of importance to the population as a whole, and to the business community in particular. Although the standard of service provided in any particular area is in part dictated by wider national considerations (including finance and security), the extent of local dissatisfaction expressed about some aspects of the service available to the study area must be viewed with considerable concern by the authorities involved. The views of industrialists already located in the area, and particularly in north Donegal, about the inadequacies of the present services and their effect on the efficiency of business operations must be especially detrimental to efforts to attract new industry to the area. We therefore attach high priority to securing an early improvement in the standard of postal and telecommunications services in the study area. In the case of postal services, this calls for detailed investigation of the scope for changes in operating procedures, whilst improvement of the telephone service depends largely upon capital investment in new facilities.
- 2.56 In the field of postal services, one of the most important aspects of service deserving attention is the timing of the single daily deliveries and collections to most parts of north Donegal; the late delivery and early collection times generally combine to make it difficult for many businesses to provide a same day reply to correspondence. This situation is attributed to the longer journey times now involved in mail movements to and from Dublin, which as a result of the security situation are being routed via Sligo instead of directly, in order to avoid mail transit through Northern Ireland. We can only recommend that the direct routing of mail for the study area should be re-instated as soon as the situation allows, but in the meantime we think that every effort should be made to offset the effects of the longer routing. Generally, we would urge that priority should be given to the needs of the business community in the local organisation of the postal services.

- 2.57 Against the reasonable expectation of next day delivery for daytime postings to major centres, the study area would seem not to fare too well. Particular concern must attend the standard of service for mail to Great Britain; next day delivery is available only on a very limited basis for postings from north Donegal and only for postings until early afternoon from the Londonderry and Strabane area. We suggest that the service between north Donegal and Great Britain could be significantly improved by the routing of more mail through Northern Ireland (via Aldergrove) rather than via Dublin. Moreover, we think that the whole of the study area might to some extent benefit from arranging for access to later mail flights from Aldergrove (including mail from Donegal).
- 2.58 Locally, we think it possible that some improvement in service and reduction in costs might be gained if greater use were to be made of bus services for the carriage of mails, particularly for cross-border mail from Inishowen. Particular attention needs to be given to cross-border parcels movement between Donegal and Northern Ireland, which is much delayed by being routed via Dublin and Belfast in order to meet the present customs requirements. The establishment of a bonded area at the Waterside terminal in Londonderry could allow this customs examination to take place locally and lead to a substantial acceleration of service. Finally, we consider it essential that efforts should be made locally to establish clearly the mail requirements of the study area, in terms of the volume of mail passing between different origins and destinations. We are concerned that the absence of information about the relative importance of different mail movements may make it difficult to put forward a case for specific improvements in service, particularly where these involve additional operating costs.
- 2.59 In the field of telecommunications, the scope for improvement hinges on the conversion to automatic working of the presently manually-operated telephone service in north Donegal. Letterkenny is the last of 16 key centres in the telephone system of the Republic to be converted to automatic working, but this is now planned to take place early in 1979. We understand that it is confidently expected that automatic services will then be extended to most of the main towns in north Donegal, covering two-thirds of all subscribers, before the end of 1980. In the context of attracting new development to the area, we would urge that the highest possible priority should be given to ensuring that this timetable is adhered to. At the same time, we would suggest that the overall programme for conversion should be carefully examined in relation to the needs of existing business and potential new development in the area, in order to see that automatic service is introduced to outlying industrial sites, such as Bunbeg, at the earliest possible date.
- 2.60 A corollary of the introduction of automatic working at exchanges in north Donegal will be the improvement of the cross-border telephone service. Plans are in hand to facilitate subscriber dialling to and from the Londonderry and Belfast areas, and to provide the extra capacity required to meet the expected increase in demand for cross-border calls. In the context of the likely future rate of growth of telephone ownership in the study area and of cross-border traffic in particular, we would also consider it desirable that some thought should be given to the possible harmonisation of tariffs for cross-border calls.

TABLE 2.1

SUMMARY OF 8-10 YEAR PROGRAMME OF PLANNED OR RECOMMENDED CAPITAL
PROJECTS FOR IMPROVEMENT OF TRANSPORT AND COMMUNICATIONS FACILITIES
IN THE LONDONDERRY AND DONEGAL AREA

	Estimated Costs (1977 prices)
<u>ROADS</u>	
Improvement of Main Inter-Urban Roads:	£ 8.4 million
Londonderry Second Bridge Crossing of River Foyle:	£14.0 million
Urban Through Routes (for Letterkenny, Strabane and Stranorlar/Ballybofey):	£ 2,230,000
Equipment for Winter Road Maintenance:	£ 40,000
<u>FREIGHT FACILITIES</u>	
Lorry Park in Londonderry:	£ 60,000
Customs Enclave at Londonderry (Waterside) Rail Depot:	(up to) £ 25,000
<u>PUBLIC PASSENGER TRAFFIC</u>	
Provision of Replacement Buses for Lough Swilly Company:	£ 240,000
Conversion of Buses for Joint Passenger/Freight Operation in Rural Areas:	(up to) £ 10,000
New Bus Station at Letterkenny:	£ 50,000
New Bus Station at Londonderry (Foyle Street):	*
<u>PORT DEVELOPMENT</u>	
Londonderry - new transit shed:	£ 90,000
- new cattle pens:	*
- new coal handling facilities:	(up to) £ 100,000
- development of dry dock area:	*
Greencastle - new facilities for fishing industry:	£ 1,500,000
<u>AIR TRANSPORT</u>	
Reinstatement of Basic Facilities at Eglinton Airfield:	£ 10,000
Further Development of Eglinton Airfield:	£ 100,000
<u>POSTAL AND TELECOMMUNICATIONS SERVICES</u>	
Cross-Border Cable Link (Londonderry-Bridgend):	(up to) £ 100,000
Conversion of Telephone Exchanges in North Donegal to Automatic Working:	£ 6,500,000
New Telephone Exchanges at Londonderry, Waterside, Dungiven and Limavady:	£ 6,000,000

* Projects for which no cost estimates can be made until further studies have been completed.

- 2.61 Probably no single aspect of the improvement of communications is more important to the future social and economic well-being of the study area than the upgrading of the telephone service. The early conversion of exchanges in north Donegal, coupled with the planned expansion of exchanges in the Londonderry area, should mean that the standard of telephone service can be raised to a level which will meet the requirements of industry and business, and also the reasonable expectations of a community in which telephone ownership has increased by 50 percent in the last four years.

OVERALL PROGRAMME AND COSTS

- 2.62 The recommendations in respect of each element of the communications system which have been outlined above (and are detailed in Volume 2) together comprise a comprehensive programme for the future improvement of facilities and services within the study area, and linking the study area with other major centres. With the exception of some part of the road improvement programme, we would anticipate all of the recommendations being considered for implementation within the short to medium term (i.e. within about 8-10 years). Many of the recommendations involve capital expenditure on new or improved facilities, but others are concerned with changes in operating arrangements, which may or may not lead to changes in the recurrent costs of operation. In most cases, implementation of the recommendations we have put forward must to some extent depend upon the outcome of further more detailed investigation than has been possible in the present study. It is clear that the further studies which are required will need to be put in hand at an early stage if the broad timetable proposed for implementation is to be achieved, and particularly where capital projects are involved.
- 2.63 A summary listing of the 8-10 year programme of planned or recommended capital projects within the study area which has emerged from our studies is presented in Table 2.1, together with estimates of the cost of each project. In some cases, no estimate of costs can be made until further work has been carried out to determine what particular scale of improvement is appropriate. Excluded from this list of capital projects is the possible development of the Waterside rail freight terminal in Londonderry, the justification of which must in our view depend upon the outcome of further studies; also excluded is the improvement of external road links to major centres, where the works involved are outside the study area and in part fall to be justified in the grounds of benefits to other areas. These apart, the total investment in new or improved communications facilities for the study area represented by the 8-10 year programme is likely to be of the order of £40 million (at present prices); the major part of this sum is accounted for by road improvements (£25 million) and by modernisation of the telephone system (£12½ million). Beyond the end of this programme (i.e. beyond the mid-1980's), we have identified a further package of road improvements within the study area which seem likely to be required by the mid-1990's if traffic grows as expected, and which would cost of the order of £10 million.

TABLE 2.2

SUMMARY OF MAIN AREAS FOR PUBLIC SECTOR CROSS-BORDER CO-OPERATION IN
THE IMPROVEMENT OF COMMUNICATIONS IN THE LONDONDERRY AND DONEGAL AREA

Authorities or Agencies
with Prime Responsibility
for Co-operation

ROADS

- Harmonisation of road capacity standards for application to cross-border routes and networks: Central Government
- Need for, and standard of improvement of cross-border roads within the study area: Central Government & Local Authorities
- Direction signing of main traffic routes into and through the study area: Central Government

FREIGHT TRANSPORT

- Establishment of customs enclave in Londonderry for consolidation of sundries traffic for Donegal: Customs Authorities & Railway Operators
- Possible further simplification of documentation required for cross-border goods movement: Customs Authorities
- Need for redevelopment of rail freight facilities at Londonderry (Waterside): Railway Operators

PUBLIC PASSENGER TRANSPORT

- Introduction of through ticketing arrangements between local and long distance bus services: Bus Operators
- Improvement in timings and local connections of express bus services to Dublin: Bus Operators
- Possible measures to control the unlicensed long distance services of private bus operators: Central Government
- Financial assistance for replacement buses for the Lough Swilly Company: Central Government
- Longer term operating role and public service status of Lough Swilly Company: Central Government

PORT DEVELOPMENT

- Formulation of possible development package for on-shore support for oil exploration/production: Central Government

AIR TRANSPORT

- Possible establishment of scheduled air service link between Londonderry and Dublin for trial period: Central Government

POSTAL AND TELECOMMUNICATIONS SERVICES

- Improvement of mail service between study area and Great Britain: Postal Authorities
- Improvement of local cross-border mail services: Postal Authorities & Bus Operators
- Improvement of cross-border parcels services: Customs Authorities & Postal Authorities
- Improvement of cross-border telephone service: Telecommunications Authorities
- Harmonisation of tariffs for cross-border calls: Telecommunications Authorities

- 2.64 Many of the projects in the 8-10 year programme are already within the firm plans of the authorities or agencies concerned and can therefore be expected as a matter of course to be incorporated within their capital spending programmes. Others, however, would fall for consideration alongside competing claims for limited resources from projects for other areas. In these circumstances, it seems to us very probable that the priority which we regard as appropriate to specific projects will only be accorded them if due recognition is given to the special problems of the study area. This is most likely to be forthcoming if the special interest of the EEC in the study area, because of its unique position within the Republic of Ireland and the United Kingdom as both a peripheral region and one divided by a political border, finds practical expression in the form of financial assistance for suitable projects.
- 2.65 Many of the recommendations we have put forward as a result of our studies do not call for capital investment but instead involve changes in operating arrangements and service patterns, intended to increase the efficiency with which services are provided and/or to improve the level of service afforded. This kind of recommendation features particularly in relation to public passenger transport, where our first concern has been with increasing efficiency and reducing the costs of operation so as to enable the maximum level of service to continue to be provided within the prevailing financial constraints; and also in relation to postal services, where our concern has been with the need for improvements in the level of service afforded. Generally, the cost implications of these recommendations could only be determined after further detailed studies. One particular recommendation for service improvement is, however, worthy of special mention and that is the proposal that further consideration be given to establishing an air link between Dublin and Londonderry, with financial support initially being provided for a trial period of service. Assuming that demand for the service were to grow steadily to reach the point of viability within, say, three years, then the development costs could be in the region of £100,000. Should the value of such a link be confirmed, we would hope that this might be able to qualify for special financial assistance as an experimental project in the development of communications for the Londonderry and Donegal area.

AREAS FOR CROSS-BORDER CO-OPERATION

- 2.66 A major concern of the present study has, of course, been to identify the need for, and opportunities for, cross-border co-operation in the improvement of the communications system serving the study area. Many of the recommendations we have put forward for capital projects and service improvements could only be effectively implemented with co-operation across the border between the responsible authorities and agencies. In several other areas we have identified the general desirability of closer cross-border co-operation between authorities and co-ordination of their activities, independent of any specific proposals for improvement. A summary list of the main areas for cross-border co-operation in the field of transport and communications which have emerged from our studies is presented in Table 2.2; this also indicates with which authorities or agencies the prime responsibility for co-operation rests.

- 2.67 In some instances the need for co-operation merely extends contacts already successfully taking place. In others, entirely new initiatives would seem to be called for; this would appear to be the case in respect of areas of co-operation in the field of road planning and in those areas of government-to-government co-operation relating to the activities of the Lough Swilly Company. Bearing in mind the wide range of initiatives required, we think that there could be an important on-going role for the Steering Group in ensuring that the recommendations of the study receive due consideration and in monitoring the progress of the further detailed studies which will have to be undertaken in many areas, and particularly so where cross-border issues are involved. The frequent meetings of the Steering Group during the study have already served to promote direct contact between government departments about many of these issues and it would seem to us desirable that the basis of understanding thus established should now be built upon.
- 2.68 The areas of co-operation just referred to relate specifically to the improvement of the communications system serving the study area. In a wider context, we have come to the conclusion that there is a need for much broader based co-operation in seeking to promote the interests and future development of the area. To this end, we are firmly of the opinion that some form of more specific arrangements for cross-border co-ordination than exist at present will be required. Broadly, we would see the need for such arrangements to fulfil the following three main regional objectives;
- (i) drawing together information about the structure and problems of the study area and initiating consistent and improved methods of information recording on either side of the border,
 - (ii) assessing the case for improvement of the infrastructure and services of the study area and ensuring that the activities of the separate authorities on either side of the border are co-ordinated in the best interests of the area as a whole; this would need to extend beyond consideration of the improvement of communications to include, for instance, the expansion of public utilities and the development of tourist facilities,
 - (iii) co-ordinating the presentation to the full of the advantages of the area as a location for new development, whether government-sponsored or within the private sector.
- To these three might be added a research objective of initiating study and analysis of the problems of the area and of the potential impact of financial and other assistance on social and economic development.
- 2.69 The form of cross-border arrangements which will best meet these regional objectives needs to be the subject of discussions between the two Governments. Above all, however, we think it important in these arrangements to give effective and continuing recognition to the unique position and special problems of the study area.