



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

22 November 2017

The Rt Hon. Lord Adonis
Chair
National Infrastructure Commission
11 Philpot Lane
London
EC3M 8UD

NEW NATIONAL INFRASTRUCTURE COMMISSION STUDY

I am writing to you to request that the National Infrastructure Commission undertakes a study on the future of freight.

UK freight will face three critical challenges in the coming years. Congestion has become a pressing issue and there is a need to focus on how best to manage freight flows in urban areas in a way that encourages growth and productivity while also meeting the needs of residents and other road users. Lorries cause a third of the UK's transport CO2 emissions, so there is a challenge of decarbonising vehicles used for freight distribution to achieve the Government's targets on air quality and carbon emissions. The freight sector must also prepare to harness the potential of new technologies such as connected and autonomous vehicles (CAVs), platooning and big data.

Addressing these three challenges is vital for increasing economic growth, competitiveness and productivity. There is a need to ensure infrastructure provision responds to increased demand from economic growth, and shifts in consumer behaviour. I attach the terms of reference for the study, which reflect feedback from the Commission on this proposal.

The new freight study will run alongside your ongoing work towards the National Infrastructure Assessment. I welcomed the progress made in your interim report published last month. I also look forward to the publication of your study on how infrastructure can make best use of new technology.

Finally, I would like to emphasise the importance of the fiscal remit set out for the Commission. One of the Commission's key roles is to prioritise infrastructure investments within affordability constraints, and therefore you should ensure that any recommendations emerging from the specific studies are consistent with the fiscal remit.

A handwritten signature in blue ink, appearing to read 'Philip Hammond', with a stylized flourish at the end.

PHILIP HAMMOND