ASLEF Response to the Draft National Transport Plan 2015 – March 2015

1. The Associated Society of Locomotive Engineers and Firemen (ASLEF) is the UK's largest train driver's union representing approximately 20,000 members in train operating companies and freight companies as well as London Underground and light rail systems. The Union has just under 700 members in Wales.

2. ASLEF welcome's the Welsh Government's recognition of the importance of rail and rail freight to the people of Wales as well as its economy. There are many important developments ahead for the network in Wales over the coming years. After years of debate between the Welsh and UK governments, ASLEF was pleased that a deal has finally been reached to allow the electrification of the Great Western Mainline to Swansea and the Valley Lines. Electrification brings a huge amount of benefits. Trains on electrified lines emit 20 to 30% less carbon dioxide than diesel trains and are also around a third less expensive to maintain. The comparative fuel costs make an electrified train around 50% cheaper to run.

3. As the consultation notes, "the responsibility for rail infrastructure in Wales is non-devolved. Network Rail is the asset owner and rail network operator and the UK Government is responsible for specifying the enhancements that will be delivered and setting out the funding available." However the Welsh government "is responsible for the day to day management and funding of the current Wales and Borders rail franchise, and following the

transfer of relevant functions, we will specify and award the next franchise."

4. For this reason, we must examine the very nature of the Wales and Borders franchise and the basis on which it is run. ASLEF believes there is no case for private ownership of the railways anywhere in the UK based on the amount of money it allows to leave the industry and the levels of subsidy from the taxpayer. However, the nature of the Welsh network arguably makes the case for public ownership stronger than in any other part of Britain.

5. The taxpayer provided around £331 million of subsidy to the Wales & Borders franchise in 2013-14 of which about £152 million was in direct government receipts and roughly £180 million in network grants. Despite such levels of taxpayer support, the overall franchise operation recorded a budgetary surplus of £38 million. The operator itself recorded a surplus of £17 million from which it paid a dividend of £16 million.

6. Government subsidy makes up 62.8% of Arriva Trains Wales total income. The Welsh people therefore supply most of the funding for the network in Wales yet the terms of the franchise permit the private operator to extract profit.

7. The plan states that a Welsh government priority is to "reduce franchise costs or generate additional income for the franchise and therefore improve our revenue position where there is an opportunity." Income from passengers and through taxpayer subsidy was £620 million. Yet it cost £582 million to run the trains and infrastructure. That £38 million surplus could reduce the subsidy by 11.5%.

8. One of the union's major concerns is that since privatisation, nearly all investment in both Wales and the UK as a whole has come from public

funds. The National Transport Plan demonstrates this again by showing that nearly all the rail project funding will be from the Welsh government or DfT. It is very difficult to find of any genuine examples where private sector railway companies have introduced innovation or investment which have substantially benefited passengers. The “Rebuilding Rail” report was commissioned by ASLEF and the other transport unions in 2012 and interviewed many rail industry experts who pointed out that most of the innovation on the railway was publically funded. Roger Ford, Industry & Technology Editor at Modern Railways stated, “They’re not investing. Nor are they really innovating. Not all that much.”

9. The Welsh rail network needs investment. It is best for this money to come from the public purse. But it is wrong for this to happen whilst profit making companies continue to take money out of the industry. Improved rail infrastructure benefits passengers and the Welsh economy and allows the private firms who do not invest into the network to increase their profits. This investment can therefore considered as a further example of subsidy to the Train Operating Companies.

10. ASLEF also believes there is a strong case for the electrification of the network in north Wales. The union supports upgrade work to the Wrexham to Chester line, Wrexham-Bidston line and the lines between Holyhead and Crewe. These measures should be the first step in electrifying the Network in north Wales which connects to large cities in the north west of England.

11. The union strongly supports station upgrades and improved accessibility, as well as line extension and new stations such as at Ebbw Vale Town.

12. ASLEF welcomes the Welsh government’s recognition of the importance of rail freight and the need for the sector to grow. We acknowledge the need for road freight and rail freight to be integrated and to complement each

other. Road freight will almost always be needed for the last leg. However as much freight as possible should be taken for the longest possible distance by rail for economic, environmental and safety reasons.

13. The importance and benefits of investing in rail freight are clear when looking at the wider benefits to society. A recent report from the Rail Delivery Group shows that businesses are saving £1 billion a year by using rail instead of road to transport goods. Rail freight has grown by 70% over the last 30 years is due to double over the next three decades. Currently 11% of the UK's inland surface freight moves by rail, but with the right investment, this could go up by 100%.

14. We must invest to make this potential growth a reality. Each tonne transferred by rail rather than by road cuts CO2 emissions by 76%. More than 7.6 million road journeys were saved by transporting goods by rail. This is the equivalent of 7,000 HGVs driving from London to Edinburgh every day. Wales must ensure that its businesses and its people share in these benefits.

15. Therefore ASLEF agrees with the statement that "whilst recognising the importance of road freight to the market, opportunities for further modal shifts should be maximised to help secure a more sustainable mix."

16. ASLEF welcomes many elements of the plan with regard to rail and freight. However continuous public investment and subsidy is unfair on Welsh taxpayers if it is done while private profit and dividends are being extracted by the operator. The current franchise holder Arriva, is owned by the German state railway company Deutsche Bahn. So rather than this budgetary surplus that is created by Welsh passengers and taxpayers being used to bring advantages to Wales, it subsidises the German railway, reducing their fares and taxpayer input. By creating a publically owned railway we can stop exporting money from Wales to foreign

railways or shareholders pockets can retain the benefits of our own investment.

Mick Whelan
General Secretary
ASLEF
77 St John Street
London
EC1M 4NN