



ASLEF Response to the EU balance of competences review: transport call for evidence

1. The Associated Society of Locomotive Engineers and Firemen (ASLEF) is the UK's largest train driver's union representing approximately 18,000 members in train operating companies and freight companies as well as London Underground and light rail systems.
2. ASLEF recognises that a greater amount of legislation is coming from the European Union. Britain has benefited from many aspects of closer cooperation within the European Union including from many new laws introduced from Brussels. However the Union is becoming increasingly concerned that EU rail policy is centred on simply opening up European networks to profiteers with legislation being used to force countries to create an open market out of their networks.
3. ASLEF supports the concept of an increasingly integrated railway across Europe in terms of functionality. However the European Commission's 4th Railway Package looks to impose a privatised franchise system across the continent. In fact the commission propose that the rest of Europe introduce a similar franchising system to the one we have in UK.
4. The franchising system has been a disastrous policy for the UK railway. Subsidies are now about 3 times as high as they were at the time of privatisation. The open, private UK system has led to the highest fares in Europe, no real increased private investment into the network and a huge cost to the taxpayer. Simply looking at the West Coast franchise debacle

shows the failings of tendering for rail contracts, whereas the success on East Coast show the benefit of publically owned rail operators.

5. Yet our system appears to be held up as a beacon of virtue by the commission. At the core of the package is a desire to create an open market, cross the European rail system that is open to companies throughout the world. The commission acknowledges that in order to ensure high quality, integrated services it will be necessary to “continue to require a large proportion of rail services... to be provided under public service contracts, specified and subsidised by Member States.” They therefore do not suggest only allowing open access operations. However, they do propose two levels of competition with “those services that can be provided through open access and competition 'for the market' to allow the transparent and cost-efficient award of Public Service Contracts, as experienced today in some member states.” In other words, the same system we have in the UK with franchises supplemented by a small number of open access operators.
6. ASLEF has continuously called on all governments since the privatisation of the railway to end franchising and take the profit motive out of our network. No government has done this. However ASLEF is concerned that the introduction of the 4th Railway package will severely restrict any future government’s ability to change the status quo.
7. Other elements of the 4th Railway Package could also be damaging for our network. The package proposes that in order to “realise the potential of the single market, a higher level of harmonisation is necessary at EU level.” Powers to issue vehicle authorisations and for safety certification for train operators will be transferred to the European Railway Agency.
8. The Commission makes it clear that the basis for this proposal is not improved safety. “The aim of these proposals is to achieve a 20%

reduction in the time to market for new RUs and a 20% reduction in the cost and time taken to authorise rolling stock. This should lead to €500 million savings over five years and contribute to the European rail industry's competitive edge and leading position on world markets.”

9. Additionally there are also concerns about the proposed coordination body that will set economic incentives and performance indicators to measure and to improve the efficiency of IMs (Infrastructure Managers). This could lead towards profit motive once again becoming part of infrastructure management. In the UK, we learnt the hard way from Railtrack that this is a potentially fatal mistake. This was proven by the incidents at Southall, Ladbroke Grove and Hatfield which lead to the not-for-dividend Network Rail taking over the UK's rail infrastructure. Also a European Network of IMs could be the first step towards a single European Infrastructure Manager.
10. Separate IMs and RUs (Rail Undertakings) can also create difficulties when it comes to compensation caused by delays. In the UK, often an enormous amount of time and money is spent by Network Rail and Train Operating Companies arguing about who is responsible and therefore liable for any delays. This is money that is leaving the industry and time that could be spent on improving it. This is a further example of the damaging effect of fragmentation.
11. Many of the issues ASLEF has raised in this response are problems we already have. The UK Government has continued with this broken system and as long as it does, ASLEF will continue to point to the significant evidence which shows that privately tendered contracts within rail are disastrous for the taxpayer and passengers. Yet what these rules from Europe highlight is the enforcement of this system. It would be impossible for future governments to make these changes and they would force our European neighbours to fundamentally change how their railway is run.

12. ASLEF accepts that past governments may have been supportive of much of what is within the 4th railway package as it broadly follows what previous governments have introduced or maintained in the UK. But this has always been a decision made by the UK government. ASLEF has always managed to enter into a dialogue about these subjects. Removing the right of nation states to alter the ownership model of their networks would prevent constructive dialogue and make the railway even less democratic.

13. ASLEF believes that it is in the best interests of each nation to cooperate over rail functionality. We need more passengers and freight to be able to travel across our continent in an easier, cheaper and more joined up way. However the imposition of laws will just restrict member states' ability to run efficient services and could have potentially disastrous effects on health and safety.

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