

17th June 2013

PRESS RELEASE

FRENCH RAIL REFORM WHAT ROLE FOR PRIVATE COMPANIES?

Mr Frédéric Cuvillier, Minister for Transport, recently submitted a proposal to the Council of Ministers concerning the reform of the French rail system.

This proposal aims to bolster the role of the State in the management of the French rail system. In essence, it is a very positive development that the Government has become aware of the vital nature of the rail system for the French economy. Nevertheless, in reading this proposal, we are entitled to ask what role and indeed what future private rail companies are to have. That is why ERFA has expressed its very grave concern about the existence of private operators in a system run by and for the historical operator.

- How can the neutrality of the system be secured if the manager of the historical operator is concurrently co-manager of the “holding” structure?
- How can the cohesion of the system be secured if the holding structure is managed jointly by the historical railway company and the RFF (French Rail Network)? Don’t they have divergent interests? It is up to the State – and not an ultimate parent body – to arbitrate.
- What role will private railway companies have in the governance bodies? They would evidently not be represented in the governance of the new holding company.
- Why such insistence on wishing to bring private rail companies into line with the social system of the SNCF (French Rail)?
 - It ignores the particular operational features of freight compared with passenger traffic.
 - It ignores the very positive tension on working and pay conditions that private railway companies have generated in France and in Europe.
 - It ignores the collective bargaining agreement that already unites the sector.
 - It introduces a major distortion of competition: How will private companies be able to take on staff in the face of a historical operator that offers guaranteed employment for life?



The ERFA reiterates that private railway companies account for nearly 30% of the French rail freight market. This opening made it possible to boost the transported volumes by nearly 14% in 2011 and to limit the drop in 2012 to 6%, which can be considered a feat, given the economic situation in France.

The ERFA supports the government's efforts to repair the rail system and to bring costs under control, but it repeats:

- Its great concerns about the role that will be accorded to private companies in that reform;
- Its demand to involve private companies in the governance of the new public rail arm in the same capacity as the historical operator, the elected representatives and salaried staff.

François Coart, President of the ERFA stated: *"We support the Government's plan to bring together all the infrastructure management functions under the RFF. We want a system where the SNCF and private operators coexist: Private rail companies must have the place they deserve and not that which others decide that they are to have."*

Contacts:

ERFA (European Rail Freight Association) was set up with the 1st Railway Package in Brussels in July 2002 to represent the interests of the new independent and private 'open access' rail freight operators. ERFA is EU Representative Body. Today, the association comprises 30 members (21 rail freight operators, wagon keepers, service providers, forwarders as well as 9 national rail freight associations) from 16 countries in wider Europe. ERFA represents more than 800 locomotives and 55.000 freight wagons. ERFA's main objective is to make the rail freight market fit for competition so that rail freight can expand its market share, attract new investments, become more innovative and create jobs. By doing so, ERFA contributes to a highly competitive EU rail freight market.

ERFA's key mission to achieve its objective is to remove all legal, technical, social and administrative barriers that prevent its members from rapidly establishing international cross-border freight services, using all rail infrastructures regardless of who manages them, and to encourage any developments likely to enable all rail companies to flourish on this market, regardless of their size or age.

ERFA asbl
Pierre Tonon
Secretary General
+32 475235348
pierre.tonon@erfa.be
François Coart
President
francois.coart@eurotunnel.com