

# Virgin could lose rail franchise

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Sir Richard Branson could lose his West Coast rail franchise this week, with a transport union warning that the switch in ownership could mean higher fares, poorer services and job losses.

The Government is due to announce the winner of the bidding for a new West Coast franchise in the next few days.

It is thought that Sir Richard's company Virgin Trains has lost out to transport giant FirstGroup in the battle to operate the London to Scotland line on which tilting, high-speed Pendolino trains run.

The Government announcement comes as the rail industry comes to terms with the need to comply with cost-cutting recommendations made in a Whitehall-commissioned report by Sir Roy McNulty.

The RMT transport union is opposed to the McNulty views and very concerned about the West Coast situation.

RMT general secretary Bob Crow said: "Whoever wins the West Coast route next week, and all the signs point to FirstGroup, they should be left in no doubt that we will mount a massive industrial, political and public campaign to stop any attacks on our members' jobs and the services that they provide to the travelling public.

"From leaked figures it is clear that this franchise is being let on pure McNulty terms with a gold-plated, 12-year contract linked to massive cuts to jobs and passenger services and huge increases in fares as the winning bidder battles to extract every penny that they can in profit."

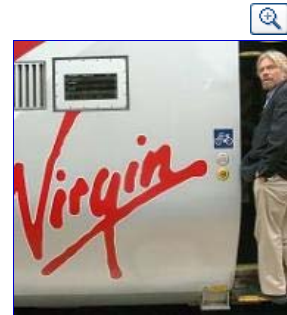
Rail Minister Theresa Villiers said: "Labour have admitted that their only transport policy is rail renationalisation with huge costs and massive upheaval for our railways. Taxpayers and passengers will want to know how much it would cost them in higher fares and taxes, and businesses will want to know how much it will cost them in lost investment.

"The most effective way to respond to passenger concerns about fare levels is to bring the cost of running the railways down. Our reform plans - which the McNulty report has contributed to - aim to deliver £3.5 billion in efficiency savings while continuing to expand services for passengers. Savings on that scale will enable us to end above inflation fare rises."

"We are currently evaluating bids for the Intercity West Coast franchise. All franchise bids are judged on their affordability, deliverability and their value for money for passengers and the taxpayer."

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