

SNCF consider making bid to run East Coast Main Line

by Adrian Pearson, The Journal | **Apr 5 2013**



The East Coast Main Line

A TRAIN consortium backed by the nationalised French railway industry is considering a bid to run East Coast services.

A group led by SNCF has approached Labour's shadow transport team to go over options for the line, which has so far paid out £640m to the Government.

But one North East MP has warned that the Government's insistence upon privatising the line could potentially see profits from the Newcastle to London route reinvested in French services.

East Coast will be in private hands by 2015 under Government plans, a move opposed by the Labour Party which says there is now an appetite among the public for the state keeping a stake in the service.

In anticipation of the move, the SNCF consortium began approaching Labour's shadow transport team at last year's party conference.

SNCF already part-owns Southeastern trains, Southern, and London Midland trains alongside Go-Ahead. If the partnership makes a formal pitch for East Coast services it would likely go up against Richard Branson's Virgin Trains.

The Virgin Money boss has already told The Journal he would "love to get my hands on East Coast" and is now expected to formally bid for the line.

Pat Glass, the Durham North West MP who once worked for shadow transport secretary Maria Eagle, said the problem with handing over a profitable line to a foreign national Government was that the profits inevitably went elsewhere.

Directly Operated Railways, the company set up by the UK Government to run East Coast, has reinvested all of its £40m profit in the service on top of the £640m paid to the taxpayer.

Last night Ms Glass said: “If you look at our railways generally, they are pretty much all run by foreign Government-backed firms except for Virgin. We have a nationalised railway now, only it is not nationalised by our Government.

“It’s owned by the Dutch, the Germans and the French. They take profit out of the system here which they then use to subsidise fares in Holland, Germany and France.

“We pay bigger fares to help travellers in other parts of Europe, and could end up being the case on the East Coast. I have nothing against the French but I don’t like them taking investment away from the British taxpayer.”

Ms Glass added: “We get a poor service in many cases at the moment, with most of the railways supported by the taxpayer.

“You go back a little while and the argument for privatising services was that it would be a better way to get investment. Well now we see the only investment is coming from the public purse even as massive profits come out and go to private companies, many of which are ultimately backed by foreign Governments. There’s an argument for doing it differently.”

Transport Secretary Patrick McLoughlin has said the nationalisation of the route in 2009 was “what was needed in difficult circumstances,” but says the East Coast Main Line, upgraded in the 1980s, now needs revitalising.

When he announced plans for re-privatisation, he said: “Now is the right time to invite bidders to put forward proposals for investing and improving those services. This will be the first of the new inter-city franchises to be awarded in 2014 in a programme that meets my three essential principles of better service, better competition and better value.”

Last night a spokesman for Keolis UK, the train operator behind the likes of Southeaster and 70% owned by SNCF, said the firm stood by its record in the UK.

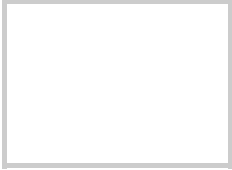
“We invest heavily in all the areas we are involved in. We have spoken to the main parties

and we will consider all lines as they become available but have made no decision as yet.”

This is a quote which will run for four lines and no more with drop quote marks for neatness

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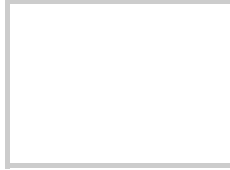
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