

BUSINESS

20 June 2013 Last updated at 05:02

Eurotunnel accused of overcharging train companies

Passengers travelling through the Channel Tunnel are being overcharged, according to the European Commission.

The EC said both passengers and freight services are paying over the odds for using the track through the tunnel, which is operated by Eurotunnel.

Eurotunnel is a private company owned by the investors who paid for and now run the Channel Tunnel.

Eurotunnel said its charges are "transparent and not excessive."

The EC has formally called on the British and French governments to look into the pricing structure and to comply with European Union rules against excessive track access charges.

The European Commission said the high prices Eurotunnel charges the train companies get passed onto passengers.

The EC also said that freight companies are put off using the Channel Tunnel because of the "excessive" charges, preferring to send their goods by road, which causes traffic congestion and pollution.

The Commission claims 43% of the Channel Tunnel's capacity is currently unused.

Vice-President of the European Commission Siim Kallas said: "The Channel Tunnel is not being used to its full capacity because of these excessive charges.

"As a result, more freight is being carried on lorries instead of by rail, freight operators and their customers are being over-charged, and passengers are paying over the odds for their tickets. The current regime is also stifling growth in the rail sector," he added.

In a statement, Eurotunnel said that it has "always sought the development of cross-Channel traffic and concentrates significant resources on this goal".

'Weak regulator'

The European Commission also said that the regulator which oversees the tunnel, the Intergovernmental Commission (IGC) is weak and far from independent.

The Commission said the IGC "does not have the power to adopt decisions on its own initiative without a complaint".

The EC added that the IGC is not an independent body, because it is made up of representatives appointed by the UK and French governments.

In a statement, the European Commission said: "Lack of independence of a rail regulator can lead to failure by the regulator to address complaints by operators in an independent manner or to adopt decisions to force compliance with EU rules and thus can lead to distortions of competition".

Reacting to the assertions of the Commission, a UK Department for Transport spokesman said that "it is not accepted that the UK has failed to implement the relevant EU rules regarding the Channel Tunnel or that the IGC is not independent".

More Business stories



European shares steady after falls

European markets recover some ground after a day of steep losses sparked by news that the US Federal Reserve plans to scale back its stimulus programme.

Samsung unveils two-system tablet
[/news/technology-22989459]

Oracle shares hit by weak sales
[/news/business-22999019]



BBC © 2013 The BBC is not responsible for the content of external sites. Read more.