



National Union of Rail Maritime and Transport Workers



RMT response to Consultation on Competition in Passenger Rail Services

We are writing in response to the Competition and Markets Authority (CMA) consultation document regarding competition in passenger rail services in Great Britain.

Before commenting on the options RMT would like to question your remit for instigating such a consultation. The consultation document explains that your statutory duty is to promote competition for the benefit of consumers. It also notes that intervention such as this is part of your "key role in challenging government where government is creating barriers to competition". This key role is set out in the government's "strategic steer" for the CMA, published when it was created in 2013 and to be updated imminently. The strategic steer is a non-binding ministerial statement of strategic priorities for the CMA, and it makes clear that the government wants the CMA to examine markets to see how competition can be improved. Given this 'market' is artificially created and heavily subsidised and this is the first consultation of this type that the CMA has issued in reliance on these provisions, we are concerned as to why this is happening now?

RMT does not agree with the options being put forward believing they are more likely to create an even more fragmented and incoherent railway including the potential for loss of economies of scale and also possible increased costs of administering a larger number of operators. The only sensible answer is bring back the franchises under one organisation providing a quality service to the public and stop trying to create a larger fragmented market which exists purely to enable the private sector to extract profits out of an essential service. The options you propose are neither practical nor necessary and do not reflect public opinion which is clearly in favour of bringing back services and infrastructure in a new 'not for profit' company built around the core of the successful Directly Operated Railways (DOR) and Network Rail (NR). Your proposals will not serve long suffering passengers but will see improvisation and hyperactive reorganisation, masquerading as a plan. Business or 'market' led rail policy reviews are simply part of the problem, not the solution and realigned incentives for already over-empowered TOCs are not going to deliver the projected benefits to either services or efficiency.

Yours sincerely

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