



*CHRONICLE OF THREE
YEARS OF STRUGGLE OF
THE SOCIALIST DEPUTIES*

FOR ANOTHER
RAILWAY PACT

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CHRONICLE OF THREE YEARS OF STRUGGLE OF THE SOCIALIST DEPUTIES: FOR THE PACTE FERROVIAIRE BY ABOULLON, ON 09 . 04 . 2018

On April 9, 2018, Christophe Bouillon defended another railway pact in the face of the Government's project.

We are not on the same line, neither on the broad lines, nor on the fine lines, as the Government and its majority. We challenge the text and, no doubt, the context, and, of course, the pretext. We have differences.

First of all, we disagree completely on the method. In September 2017, most of us were gathered at the Palais Brongniart for the launch of the Mobility Foundations, an initiative that was supposed to provide us with a vision on mobility. The government announced a major orientation law on mobility, which would have been an opportunity for all of us to fully invest in writing the future for the French people and for the territories on the essential issue of daily commuting. Priority was to be given to day-to-day transportation and to the effort to be made in terms of work on the existing network, for its regeneration. In addition, an Infrastructure Orientation Council was set up to produce the elements necessary for the preparation of a major infrastructure programming law, which would define priorities in the rail and road sectors. Finally, a report was entrusted to Mr. Spinetta on the future of the SNCF, particularly with regard to its organization. All these announcements seemed as useful as they were coherent to all of us and encouraged us to get involved in this debate.

And then, without us being able to understand why, all of a sudden, last February, the government turned this beautiful architecture upside down, starting by tackling the theme of mobility with what was supposed to remain a tool: this reform of the French rail system. In doing so, the government deprived us of a vision and coherence, in other words, of the means to articulate its proposals with issues as essential as intermodality, modal shift and the presence of a means of adapted transportation in each of the territories.

With respect to the method, I also regret the choice of orders. Often, the pretext for their implementation is based on the argument of time. But the government has control over the agenda of the National Assembly: it therefore had the possibility, at the very end of the mobility conference, of putting rail reform on the parliamentary agenda.

I point this out because the method of ignoring several provisions is a source of concern and interpretation. It is not surprising then that the question of the future of short lines, or even the threat of privatization, can be put on the table. It is precisely because we did not know all of the elements that these issues have come to light. I insist all the more that the National Assembly should not be considered as the place where members of parliament are put to sleep. The fact of revealing only in committee important amendments prevents us from exercising our role as parliamentarians by depriving us of our right to formulate proposals.

I repeat: discovering such important amendments in committee prevents us from carrying out our work as parliamentarians.

Our differences also relate to the reading of the opening to competition. On this subject, we have been told one thing and its opposite. In particular, I heard that nothing had been done so far, and at the same time that everything had been decided beforehand.

The truth is that the opening up to competition comes from far away: from the 1990s, since it was the famous 91/440/EC directive that opened up the prospect of a single railway system. The opening had to be done gradually, in stages: first with international freight, then with national freight, then with international passenger transport, before the question of opening up national passenger transport to competition was raised. It had to be done through the adoption of successive railway packages - if we are at the fourth one, it is good that there have been three others before.

Each time, these packages have led, for our assemblies, to the need to modify a certain number of legislative provisions stemming from the famous LOTI - law of orientation of inland transport - of 1982. First there was the 1997 law creating RFF - Réseau ferré de France. Then, in the 2000s, there were other texts that led to the creation of the Etablissement public de sécurité ferroviaire and of the regulator, ARAF - L'Autorité de régulation des activités ferroviaires. In 2009, the ORTF law, relating to the organization and regulation of rail transport, made further changes. Finally, the law of August 4, 2014 on railway reform was supposed to adapt our railway system to European requirements - we haven't said it enough, or we said it wrong. In the report they wrote at the time, our colleagues Bertrand Pancher and Gilles Savary wrote in black and white that this rail reform was undoubtedly one of the most important texts in the world.

important issues related to the rail system since 1937. There has therefore been, in recent years, an important text that prepared the opening for the cover.

When we call for the status quo, some argue that nothing would have been done before. But the 2014 law proves that things have been done. In fact, some people don't hold the same positions today as they did then. Thus, the Prime Minister had voted against the major railway reform of 2014, as had the Minister of Economy and Finance. However, this text corresponded to our vision of public service in the railway sector.

If there is one subject on which the previous legislature left its paw, it is the negotiation of the fourth railway package. This negotiation did not begin in August 2014 but shortly after the vote by our assembly of the law on railway reform. Within this framework, France has defended its concept of opening up the rail sector to competition by supporting the PSO (public service obligations) regulation, which corresponds to our country's philosophy in this area: that of public service delegation. We are familiar with this mechanism because, in our conurbations, in our communities of municipalities, wherever there are transit authorities, it is this system of public service delegation that allows the authority to set the terms of the public service contract under which the inhabitants of these areas can benefit from a public transit service, although this framework does not, of course, prevent authorities that so wish from favoring the system of public service control. It is therefore this philosophy that was adopted in 2016 at the European level, through the PSO regulation, and which should continue to inspire us today.

Our differences also relate to the future of the status of railway workers. The fourth railway package does not in any way impose the extinction of this status, as it is written in black and white that the provisions relating to personnel are a matter for national legislation. The railway workers' statute is more than a symbol: it is a set of rights attached to specific working conditions. As you know, these conditions are also linked to the level of safety that we expect from rail service in our country, about which nothing should be overlooked, and which requires special hardships, staggered working hours and a continuous presence of staff. Thus, many railway workers carry out their work in conditions that are certainly nothing like those of the last century, but which are still difficult and obviously require our full attention. I repeat, no provision of the fourth railway package imposed the extinction of the status of railway workers.

In addition, the famous law of August 4, 2014 provides for a social contract and the launch of a collective agreement at the level of the railway branch which will allow for a re-discussion on the organization of work, professional training, maintenance and a certain number of essential subjects. Of course, railway workers are not hostile to improving working conditions and seeking productivity gains - no one will say otherwise - but all this can be done perfectly well.

without affecting their status. Proof of this is the rapid progress of the collective agreement for the rail industry.

With regard to status, we are often confronted with the same argument: as soon as other rail operators use the French network, everyone should be treated equally. This argument is a bit specious, even dangerous. Why

? Because other cases can be considered. For example, there are public hospitals and private clinics, which are in competition with each other; public hospital staff enjoy a special status, yet no one would have the idea of aligning, in the name of the principle of equity, the situations of the staff of these two types of establishments. Given the principle of guaranteed employment, the special working conditions, but also the recruitment difficulties sometimes experienced by the SNCF, particularly in the Île-de-France region, it is important to maintain this status at all costs, to avoid its extinction, which neither Europe nor those who want to have an efficient and robust network demand.

We also disagree on the issue of debt. Much has been said on this.

In 1997, when the RFF was created, the debt amounted to 20.9 billion euros: this was the country's debt resulting from the creation of this network, which made it possible to irrigate the entire national territory without forgetting any region. Between 1997 and 2001, the increase in debt was, all in all, reasonable: around 2%. After an initial increase related to the first phase of construction of the East European high-speed line, the government decided in 2009, following the Grenelle Environment Round Table and just before the launch of the railway foundation in 2011, to build four LGVs at the same time: the extension of the East European line; the South Europe Atlantic line to Bordeaux; the Brittany-Pays de la Loire line; and the Nîmes and Montpellier railway bypass. This decision in 2009 led to a significant increase in debt. The State has begun construction of 700 kilometers of new track, leaving the slate to the SNCF. The decision to give preference for years to the "all TGV" led to a significant increase in the SNCF's debt, to the point where it now stands at nearly 47 billion euros.

In terms of debt, here again, we must go back to what was decided in August 2014 in the law on railway reform. First of all, it was decided to apply what was called the "golden rule" as a means of curbing this famous debt that kept on inflating and weighing like a burden on the SNCF. The idea was to ensure that SNCF Réseau did not commit itself to new investments without having the means to do so, according to a principle that could be summarized by the formula: "whoever decides pays". When the State takes decisions, as it did in the case of the creation of major lines, it must assume the financial consequences. In addition, performance contracts have been established between the State and the various EPICs - public industrial and commercial establishments -, notably SNCF Réseau, providing for a

budgetary trajectory and efforts in terms of productivity.

In 2014, the government was asked to submit a report on the debt issue within two years, i.e. in 2016. According to this report - it was written in black and white - if the golden rule and the budgetary trajectory were to be respected, if productivity efforts were to be maintained, the SNCF's debt would be manageable, but the situation would have to be re-examined three years later, at the appointment provided for in the performance contract, to answer this important question.

SNCF Réseau now devotes nearly 1.5 billion euros in financial expenses to debt servicing. This money allocated to debt is as much as is not spent on maintaining or regenerating the existing network. Since the opening of the rail sector to competition was decided in Germany in 1994, the German government has twice decided to take over Deutsche Bahn's debt. This example should inspire us today in France.

We also disagree on the issue of investments. We can all see on our territories, either through our experience as users, or through the testimonies of our fellow citizens or railway workers themselves, that trains are slowing down and are increasingly late on the more than 5,000 kilometers of track in our country. It's simply the aging of the tracks, switches, and trains - in short, the age of the network - that is to blame. This is not a new observation; it was already made in 2005 following the work carried out by the Federal Institute of Technology in Lausanne, under the direction of Professor Robert Rivier. The need to allocate significant resources to the upkeep, regeneration and maintenance of the network was confirmed in 2012.

It must be admitted that a process of catching up had begun with the major network modernization plan, which injected 10 billion euros to meet this requirement. But, in 2014, the president of SNCF Réseau, Jacques Rapoport, said himself, during a Senate hearing, that the situation was dramatic and that the level of under-investment could become dangerous. Unfortunately, this prediction has been confirmed lately, with the dramatic and repeated breakdowns at the Montparnasse train station or at the Saint-Lazare train station. Some technical levels no longer correspond to each other. There is real work to be done here.

It is no coincidence that in the performance contract signed in 2017 between the French government and SNCF Réseau, 46 billion euros of investment was planned over ten years, i.e. between 2017 and 2026.

Finally, we do not agree on the future of the public rail group. Nothing, I repeat, in the fourth railway package, indicates that the group, as it was conceived in 2014 - that is to say, in the form of three EPICs - should be transformed into a public limited company. Admittedly, the ruling handed down on La Poste by the European Court of Justice

who, being interested in state aid, examined this situation and tried to push France to change its approach a little. That said, the integrated model of Deutsche Bahn, which seems to be the one preferred by the Government, is not without attracting some remarks from Europe either.

I would like to emphasize two points, which give us cause for concern.

The first of these concerns is that, when public establishments were transformed into public limited companies, it was often the beginning of a privatization - we see it today with ADP and with La Française des Jeux, and we saw it previously with GDF and EDF. This threat is obviously present. One can certainly tell us - and make us vote - that it is a public limited company with non-transferable public capital, but history teaches us that declarations and what is voted on can very quickly, over time, vanish, evaporate and, so to speak, fall into the trap. This is a very serious concern for us.

Another important underlying issue is that telephony cannot be compared to rail. Indeed, the current network constitutes what economists and specialists call a "natural monopoly". This network of railway lines that innervate our country and link all our spaces from one end to the other was built by the French, through the efforts of everyone: this is what I would be tempted to call the SNCF's "good debt". This network is our heritage. However, by transforming the EPIC SNCF Réseau into a public limited company, the government is not making it a sanctuary: it is putting what is for us an essential heritage at the mercy of private predators, at the mercy of a form of privatization which, while it may not be envisaged today, is nonetheless possible tomorrow. It is therefore important to maintain, at all costs, the network and the railways in the form of a public establishment, that is to say as part of our heritage. This is also in line with what Europe thinks today: the separation between the infrastructure manager and the operators obviously leads us to consider the infrastructure manager, SNCF Réseau, as a kind of public emanation, an overtaking of the State by itself, which it is important to preserve.

Many lines therefore separate us from the government. Just as one train can hide another, this reform can hide another. We can guess, through the question of status, that what is happening is unfortunately guided less by a concern for improving the service and the railway system than by a symbol and a totem pole. Many of us think that what is important to respond to both users and the French is to tackle the real problems that are on the table and to which it is up to us collectively to respond.

In this field, a little less ideology would have been needed. I hear a lot of talk about competition. Almost everywhere, everyone cites their examples, sometimes forgetting some of the data that are on the table.

The Boston Consulting Group, which many of us here are no doubt familiar with, and which is not frankly a think tank or a left-wing firm, had fun evaluating performance in 24 European countries, which were sifted through an indicator created from scratch to verify the performance of the different companies in these countries: in 2012, France ranked second - it's true that in 2015 it was fourth, and then in 2017 it was seventh.

Here is the interesting point clearly underlined in this BCG report: what makes the difference in performance is not so much the degree of openness to competition, or even the organization of work, but public investment.

What makes a massive difference, from one end to the other of the twenty-four situations compared on a European scale, is the level of investment. If we are all looking at the situation of Deutsche Bahn with Chimène's eyes, it is not only because in Germany the State has taken over the debt, but also because public investment is also much higher than what we have been making up to now, including in previous years.

A number of questions are therefore on the table. Germany is cited as a model that has been quite successful. At the same time, everyone can see that in England this has not been the case, frankly. Here and there, polls are cited here and there. For example, 78% of the English, recently polled on their appreciation of their rail system, want to return to a public system.

In this area, it is important to be both pragmatic and reasonable when comparing situations with each other, to avoid falling into caricature.

Since the deadline we have been set for opening up to competition is December of this year, and since we have all the necessary data on the table, we have time to succeed with a reform that meets our requirement to design a major public service, with the primary objective of the service we owe to users and to the French people. Between the status quo and the upheaval, there is room for a reform that will ensure that we can still count on a major public rail service in France tomorrow. That's all that users and the French people expect today.