Thank you for the opportunity to speak to you today. I am Laura Wright, Head of International Policy at the Rail Delivery Group.

The purpose of the Rail Delivery Group is to enable Network Rail and passenger and freight operating companies to succeed by delivering better services for their customers. This ultimately benefits taxpayers and the economy.

As a representative body for the industry RDG provides a voice for both passenger train and freight train operators. RDG provides important ticketing, information and reservation services for passengers on behalf of our members’ companies and we have a strong partnership with the rail supply chain.

Our railway is the backbone of the British economy. It employs around 240,000 people, moves 4.5 million people around Britain each day, and 86 million tonnes of freight each year.

It spreads wealth to every part of the country.

These statistics are multiplied over and over again across the Member States of the European Union.

As a sector that imports and exports both goods and services, transports people across borders, and possesses Britain’s only physical link to mainland Europe, getting Brexit right
for the rail industry will also be a barometer for whether the overall deal will enable Britain and Europe to prosper together in the decades ahead.

The good news is that one railway, working together across the EU, is well placed to deal with future challenges. Already, we are all delivering improvements to the service we provide, making journeys better, and in doing so supporting our local communities.

I am going to answer the exam question set about Brexit and the Fourth Railway Package and also highlight the other pieces of the Brexit puzzle that need to be in place for us to succeed.

What does the Fourth Railway Package have to do with Brexit?

In Britain, we welcomed the Fourth Railway Package and its objectives. Since the British rail market liberalised over 20 years ago we have seen a doubling of passenger numbers and strong freight growth.

This has been achieved whilst delivering operating costs below the European average and passenger satisfaction second only to Finland.

We see the Fourth Railway Package as a recipe for success; opening markets, driving innovation, delivering benefits for passenger and freight customers.

Foreign involvement in the British franchising market is well-documented and we should welcome the jobs and investment that international transport businesses have wanted to bring to Britain, to learn from and build on our successes.

British businesses are also increasing their presence in mainland Europe and we want to make sure that these companies have access to existing and newly liberalising markets so we can export our expertise.

Britain is continuing to implement the Market Pillar of the Fourth Railway Package – which in reality does not involve many changes for our industry – and the elements introduced by Regulation will be ‘transposed’ into UK law by the European Union (Withdrawal) Bill.
And whilst reciprocal market access is in the hands of the negotiators at the highest level, we will continue to support competition for public service contracts in Britain and seek to enter markets overseas.

And what about the technical pillar?

Simplification, harmonisation and cooperation are key to unlocking the potential of the European rail market.

Brexit appears to be counter-intuitive to this.

However, I want to assure this conference that our rail industry is committed to working hand-in-hand with colleagues in Brussels, Valenciennes and beyond to continue to play our role in this process.

We would like to retain a close working relationship with the European Union Agency for Railways, even if this looks different from the access we have today. Sharing experience in such forums not only helps develop better standards, but also supports us to deliver an increasingly safe sector. The British rail industry is the second safest in Europe, thanks in part to the exchange at European level; and there is always have more we can do and learn by working together.

Although some de-regulation post-Brexit will, of course, be helpful to the British rail industry, we must not become an island of our own standards and ways of working. Not just because our interconnected supply chain relies on standardisation, but also because the 10 million passengers and 1,800 freight services that use the Channel Tunnel each year depend on interoperability.

As with the Market Pillar, the provisions of the Technical Pillar will be transposed into UK law via the Withdrawal Bill. This creates a risk of two-speed TSIs with the specifications continuing to be dynamically amended in Europe, whilst enshrined in static statute in the UK. The industry is committed to finding a solution to making this aspect work, and avoid Britain becoming a railway island.
For us, the success of the Fourth Railway package is a strong indicator of how well our railways will be able to work together – and compete - in post-Brexit Europe. However, there are several more pieces in the Brexit puzzle that need to be in place to provide conditions for success.

The Fourth Railway Package – subject to the negotiations – can support reciprocal market access and the clear application of standards. However, we also need to consider our talented European colleagues who have made Britain their home, and we have to continue to have smooth transport across the border between Britain and mainland Europe.

Nearly 41,000 nationals of the EU-27 are currently employed in the rail industry in Britain.

Many work for EU-27 owned businesses both in operators and in the supply chain. These companies often rely on the ability to easily second staff into their UK base for periods of a few months to several years.

It is important to retain this ability.

Current and future freight and passenger operators using the Channel Tunnel will have drivers and crews of multiple EU-27 nationalities due to skills, working patterns and location of ‘home depots’.

There has to be a cost-effective solution to this type of working.

The EU-27 also rely on the exchange of knowledge and skills both of their own nationals and UK nationals’ ability to work on similar projects in different countries.

Europe’s largest infrastructure project, Crossrail, has employed over 15,000 people since it began in 2009. It is estimated that 15% of Crossrail’s employees are EU-27 nationals, all of
whom can take the skills and specialist knowledge gleaned to other major tunnelling and rail infrastructure projects across Europe.

We have to continue to use our skilled workforce to learn and grow.

The free flow of people, of all levels of skill, is critical to all of our railways not only to deliver a competitive market for rail but also to share experience from unique and challenging projects.

The Channel Tunnel is a vital transport link between mainland Europe and the UK and smooth transport across this border is a critical link in the Single European Rail Area promoted by the Fourth Railway Package – even if the UK is a third country.

To enable travel through the Channel Tunnel, trains need to conform to technical standards which are mutually recognised by both the EU and UK. Train driver licences also have to be mutually recognised to enable them to operate across borders and into France, Belgium and beyond.

Whilst there is no intention on the part of the operators or infrastructure managers on the cross-border route to change technical conformity, it is essential that there is mutual recognition of operating and train driver licences continues.

If operating licences are no longer mutually recognised, and no contingency is in place, traffic could be negatively affected.

Without mutual recognition of driver licenses, freight and passenger train drivers may have to hold two licences or change driver at the border in the middle of the tunnel.

Membership of the EU Customs Union currently allows UK businesses to export and import goods without rules of origin declarations, health, veterinary and safety controls, and the delays in transit these incur. This has had the consequence that current infrastructure on both sides of the tunnel has been designed with a simplified process for goods.

All freight through the Tunnel – including RoRo services - represent a quarter of the trade between the EU-27 and UK. Without significant investment in infrastructure, customs officers and technology such as VACIS scanners, it is highly likely that there could be an
impact on both the French and British rail network as trains queue to be inspected. This could have a knock-on effect on other networks in mainland Europe.

The rail industry in Britain is committed to working closely with our Government to develop plans for the UK leaving the EU. We want these plans to support the implementation of the Fourth Railway Package and our continued commitment to a Single European Rail Area, promoting benefits for passengers and freight customers across the EU.

My offer to the conference is to work with us. Brexit is the hand we have been dealt and we have to play it well.

Thank you very much.