



PROMOTING BRITAIN'S RAILWAY FOR PASSENGERS AND FREIGHT

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RAILFUTURE MEDIA RELEASE

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Railfuture launches a new report today (16 July 2003) comparing the operation of national railcard schemes in a number of European countries.

The report will be introduced by Railfuture vice president *Ron Cotton* who invented the hugely popular Saver tickets when he was a British Rail (BR) executive 20 years ago.

Entitled "A National Railcard - International Comparisons", it follows an earlier report published in April 2003 which showed that 3 million people would probably buy a £20 card giving 30% reductions on off-peak fares if it was introduced into Britain. This would provide benefits to both rail users, train operators and the Government.

The report commissioned by Railfuture and produced by The Railway Consultancy Ltd, a specialist company in railway planning and economics, compares the different types of railcard available in Switzerland, Germany, Austria and the Netherlands with the new railcard proposed for Britain.

It establishes the existence of analogous schemes in the analysed countries. Despite the respective differences within the analysed countries, railcard demand figures are significant as in the case of Britain, especially for Germany and Switzerland.

The consultants also note that the pricing of these cards seem to match. They offer 50% discounts and are mostly priced at around £30 for off-peak cards or £70 for all-day cards.

In the majority of cases, a financial assessment of the schemes was not pursued due to relatively scarce data. However, all available evidence shows that the half-fare card scheme in Switzerland is profitable.

Additionally, the European railways employ wide varieties of marketing innovations, including internet availability of railcards, magnetic strip technology, the offering of cards valid over longer periods than a year, and making the card more attractive by including discounts for shops, hotels and car hire.

The conclusion of the previous April report stated that: "A national railcard can foster usage of the railways during off-peak periods, making more efficient use of the available capacity, yet generating profits."

These conclusions were widely welcomed across much of the rail industry. Transport Secretary Alistair Darling has supported the idea in principle and *Railfuture* welcomes hints from both the government's Strategic Rail Authority (SRA) and the Association of Train Operators (ATOC) that there will be further studies of the ideas presented in these reports.

Douglas Medrisch, one of the authors of the study, commented: "Despite some common characteristics, the variety in rules of eligibility, applicability and marketing approach is striking. All railcards studied pursue the common objectives of filling spare capacity, abstracting trips from road and generating profits. However, they do so by taking into account many specific factors of each country such as characteristics of rail passenger markets and capacity issues. The resulting flexibility in design has suggested many new ideas for marketing railcards in the United Kingdom"

Just two weeks ago, the SRA published the conclusions of its Fares Review. Although this recognised the need seriously to consider the case for a national railcard "provided it is well targeted and does not create overcrowding", it has less welcome proposals on other fronts.

The SRA review proposes to allow some rail fares to rise by much as 6% above inflation, year-on-year (and all fares by an average of 1% above inflation) in contrast to the previous rule of 1% below inflation. It also places a question mark over the future of the popular Saver tickets which are the only economically priced, fully flexible tickets for journeys over about 50 miles.

The SRA wants to "replace the existing Saver regime with one more suited to passenger needs".

Railfuture says: "Leave Savers alone, and give us a National Railcard."

Rail passengers say: "We like Savers, we want them fully protected and their conditions standardised in line with the best operators' practice".

Ron Cotton is the man responsible for introducing Saver tickets in BR days. He is now retired and is a *Railfuture* vice-president.

He commented: "Some in BR originally resisted the Saver concept until I demonstrated that it made commercial sense. That has not changed, and I see no reason to abandon the principle of economically priced walk on fares now."

On the same line of argument, further research to be conducted by the SRA and ATOC should ease any resistance to the National Railcard concept by demonstrating its commercial case.

Railfuture chairman Peter Lawrence adds: "Rail passengers are looking for value for money. The abolition of the Saver fare is a step in the wrong direction.

"Saver fares must be protected. With the introduction of a National Railcard, this will bring benefits to passengers in the form of affordable fares and boost ridership which the Government seeks."

Full reports for the National Railcard International Comparison (July 2003) and National Railcard Economic Research (April 2003) as well as executive summaries are available at www.railfuture.org.uk.

For a copy of this press release in pdf format: <http://www.railfuture.org.uk/dl65>.

For a copy of the executive summary in pdf format: <http://www.railfuture.org.uk/dl63>.

For a copy of the full report in pdf format: <http://www.railfuture.org.uk/dl64>.

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