

Why I axed the Speedlink services

A hush fell over the audience at the Railway Development Society's annual meeting when guest speaker Tim Hansford began his speech. He announced: "I am the architect of the Speedlink closure."

Mr Hansford, director of Railfreight Distribution was unrepentant about the service which runs its last services this month, two months after Mr Hansford addressed the society at Edinburgh.

He said: "We would have required a cheque from the Government every year to keep the service going."

"I am not going to get involved in political arguments but the difference between the parties is like the difference between Lloyds and NatWest banks."

Later he added: "But the playing field is most certainly not level. We pay for everything. The Government pays for roads."

Between 1986 and 1990, the Government gave a £5 billion subsidy to the roads.

But he went on: "We had unacceptable losses. We cannot be everything to everyone. We must decide what markets we are in and where we are competitive."

"We must refocus on the parts of the business where we have strengths. The board and the Government believe we can do it. But the first casualty is Speedlink."

"As Railfreight managers, we have a strategy for turning round the business which should have a long-term re-investable future."

Mr Hansford said he was first and foremost a businessman.

"I am a businessman who makes considerable use of the railway. I accept the price I have to pay for the infrastructure."

"We must be profitable. We are geared to meet the challenges and we will succeed."

He claimed that about 70 per cent of the Speedlink traffic would be retained by the railway but would be handled by other businesses, like Trainload freight.

He said Railfreight was dominant in the deep sea container business, handling 35 per cent of the traffic from Tilbury, Southampton, Liverpool and Felixstowe. But he said quality and the cost basis would have to be improved to maintain competitiveness.

Railfreight also had a 16 per cent share of the total freight market between Britain and Ireland.

But Freightliner had no appreciable share of the UK market. It needed journeys of over 300 miles really to come into its own and there were few such routes in Britain. The average journey in Britain of a heavy goods vehicle is around 90 miles.

He said: "We must refocus on the parts of the business where we have strength."

He identified intermodal traffic as the great chance for the railways of Europe and the Channel Tunnel as the great chance for Railfreight.



Hope for the future: The Trailer Train system developed for Tiger Rail which hopes to capitalise on the advantages of using both road and rail for its freight services

"Intermodal is the way forward and every transport expert agrees."

Brussels says combined transport will treble in the next 10 years, and it will be mainly swap bodies at the expense of containers. Swap bodies are more flexible. But the price margins were tight.

"Our prices will be market-based and we must be profitable," he said.

Seventy mph 1,000 tonne Railfreight trains would use the Chunnel when it opened. To start with there would be 54 trains a day, rising later to 70 a day. The main traffic would be cars and car spares, high-tech equipment and perishables.

The aim would be to make Britain fully integrated with Europe and for rail to function in the just-in-time distribution system, now dominated by road hauliers.

We will have to cooperate with European railways

and operate as one team. Speed and reliability would be the key. The Glasgow - Brussels service would be able to give a 17-hour delivery time. With computers, we can track goods and movements hour by hour.

Some trunk haul services would be longer than 600 miles and there were likely to be Glasgow - Milan and Glasgow - Munich freight trains.

Even before the opening of the Channel Tunnel, Railfreight was trying to improve its European services, the train ferry via Dover and its container service via Harwich.

He said BR can carry the currently standard 9ft 6in box but added: "If someone in America decides on 10ft then we are out of the market and we would have to rebuild the railway."

And he warned: "We cannot offer services anywhere to anywhere. Quality would drop and costs would go out of control."

A small step in the right direction

Transport Secretary Malcolm Rifkind took a small step in the right direction at the end of May when he acknowledged that railways should in future take a greater proportion of both passengers and freight.

The idea of creating an integrated road-rail network is a good one but has been urged for at least 40 years while the Government has happily watched traffic drifting on to the roads. Mr Rifkind's action plan, more generous grants for firms which want to switch traffic from road to rail and breaking the BR freight monopoly to allow private operators, may bring more traffic in the long term.

But he has done nothing to make the fundamental change which would create a "level playing field" in transport. Railways still have to run as a commercial business while roads will continue to

soak up oceans of public cash. His speech seemed to ignore the most immediate issue facing BR - chronic shortage of money which means that services are being cut, inadequate vehicles are being built, fares are too high and passengers suffer severe overcrowding and in many areas an unreliable service.

On the roads, Mr Rifkind remains committed to the red route idea, the poison pill bequeathed to city dwellers by Cecil Parkinson before he left the governmental stage with Mrs Thatcher.

Mr Rifkind also plans to press ahead with public and private road building, even though people have voted clearly against road schemes when they have been given the opportunity.

And a Railfreight spokesman said it was a tragedy the Government's conversion had come just as the Speedlink service was being forced to close.