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OPEN LETTER ON THE SUBJECT OF LIQUIDATION OF RAILWAY LINES IN POLAND

Ladies and Gentlemen,

Railway transport in Poland, as a result of twenty years of persistent neglect of its importance for the economic development of our country by successive governments, is in a state of a total collapse. Years of incompetent and pretended reforms, as well as continuous lack of finance, while at the same time the motor road sector has been prioritized, have resulted in perceiving the railway sector as the area where the last two decades were wasted completely. **In passenger movements, journey times are, on many relations, worse than before the 2nd World War, and passenger trains have disappeared from many routes. A freight train's average speed is, approximately, 26km/h (in Upper Silesia it is about 10km/h), and the average time of delay for a freight train has already exceeded 5 hours. The safety record has also worsened drastically and situations when two trains were moving in opposite directions on the same track are not rare any more (in the one year of 2012, such situations were experienced in Szczekociny, Warsaw ZOO, Pałędzie).** It should be stressed that thanks to the quick wits of PKP PLK's and operators' personnel only one such case ended with a tragic accident this year.

Signatories of this letter informed the Polish authorities about problems requiring urgent solutions many times. This purpose has been achieved to a certain extent, as a reputable adviser was asked to make an analysis which would constitute the basis for development of a complex plan for improvement of the Polish railways situation. Unfortunately, it turned out that, instead of a restoration programme, a programme of systemic destruction of the Polish railway network had been developed.

Public statements of Minister Andrzej Massel and the President of the Board of PKP PLK, Mr. Remigiusz Paszkiewicz, indicate that **a mass liquidation of railway lines (not the first one) is to constitute a systemic solution to the railway's problems. The length of the railway network administered by the national manager is to be reduced by 4,000-5,000 km, i.e. by more than 25% of the current length.** In order to tune out the voices of protest, the word "optimization" is used and the will to find a way to continue to operate sections qualified as redundant is emphasized. It should be stressed that the current path of railway line liquidation envisages many solutions before a given line is finally approved for demolition. Experience to date indicates that these solutions have never been used in practice, as keeping a line open does not guarantee any financial resources from the budget (not even the element, proportional to the length of the network transferred, of subsidy provided to PKP PLK by the state for maintenance and, in the present budget situation, it is unrealistic that this could change. On the other hand, local authorities, given many charges imposed on them, cannot afford to maintain railway lines on their own.

In order to justify this programme, transport statistics, indicating that only insignificant transport work was performed on the lines in question, are quoted and "optimization" will allow concentration of maintenance effort on the most busy lines. However, according to internal estimates of PKP PLK S.A., getting rid of even 4,000km of railway lines will result in

annual savings at the level of about 1.5% of the PKP PLK's annual budget assigned for maintenance of the railway network, i.e. an amount of PLN 40-50m. In the light of investment projects worth billions of PLN and management costs reaching millions of PLN in the whole PKP group, this theoretically saved money will not help, even to a small degree, to cure the national infrastructure manager.

Four thousand kilometers of tracks constitute 25% of the whole railway network in Poland. It represents dozens of thousands of passengers, commuting on passenger trains, started on some of these lines, to work and to school every day, thousands of companies, who dispatch and receive goods, and still more potential receivers who might be persuaded to use railway transport (or revert to use it) in the future. If the announced actions are executed, it will not be possible to restore passenger movements after revitalization, in contrast to in many places in Poland (Wrocław – Trzebnica, Opole – Kluczbork, Międzyrzecz – Rzepin, Ocice – Rzeszów, and on many other relations) because no local authority will be able to afford to build the line from the scratch or to buy back land sold after the line liquidation. As a result of the proposed actions, whole regions will be deprived from access to railway transport and passengers and freight forwarders will be forced to use motor road transportation.

In the context of intending to reduce drastically the length of PKP PLK's railway lines, it is impossible not to discuss the consequences of such a move and the cardinal mistakes in assumptions regarding costs and revenues generated by lines and sections assigned for "optimization".

Operators pay access charges for each kilometer of a route driven. Thus, it was assumed that, if insignificant traffic, in terms of the whole network, is operated on a given line, liquidation of a section will reduce revenues due to access charges in proportion to transport work realized on this section. In other words, it is assumed that if 5 kilometers of tracks are liquidated, a train, which was originally to cover 500km, will cover 495km, so revenues from due access charges will, in fact, remain unchanged. This assumption is totally wrong, as liquidation of rarely used lines will vitiate the economic sense of launching trains on whole relations, given additional costs of transshipment and relevant losses. Liquidation of even a short line to an industrial plant may mean that transshipment from tracks onto trains will be unprofitable and thousands more tonnes will be carried by motor road transport not at a distance of a few kilometers but all over the network, and PKP PLK S.A. will lose a significant portion of revenue, also from main lines.

Ladies and Gentlemen,

We, as experts and users of routes threatened with liquidation, believe that actual savings, gained thanks to these destructive actions, will not only not bring even the slightest savings but will result in huge and irreversible losses. We know these railway lines and we know perfectly well that no personnel is employed on a permanent basis to service them. Operators' employees, themselves, have to protect level crossings in course of train movements, operator's examiners and signalmen set switches at deserted stations and collect necessary keys many kilometers distant. Existing legal regulations, according to which specific maintaining actions have to be undertaken each year on each railway line, are not followed. On the majority of lines, no such maintaining work has been carried out for years and thus, locomotives skid on not mowed grass growing on tracks and speed restrictions, treated as ad hoc solutions, make operation of railway movements even more difficult. Calculations indicating that closure, "transfer" or physical liquidation of the lines is going to generate savings, prove lack of knowledge of the actual situation.

It is worth pointing out that the Polish railway network has lost, since 1989, almost 7,000 km of railway lines. All previous liquidations were justified in the same way, as is done in the case of the current liquidation and they did not give positive effects. There is no reason why the current concept should bring a better result. We share the view that PKP PLK S.A. requires restructuring and optimization. The advisor indicated many areas of potential savings and each of them should be carefully analyzed. However, under no circumstances should the restructuring be limited to short term and illusory savings which make building an efficient and effective railway impossible in the long term.

We signatories, representatives of employers' organizations, trade unions, field experts and all who care about comfortable and effective railway transport, say, in an unprecedented common declaration, that actions planned by the Polish government may lead to nothing more than the final marginalization of the railway's role in Poland and may make its future growth impossible.

At the same time, we demand the start of legislative work, aimed at making the procedure of liquidating railway lines as restricted as possible. The current procedure is too liberal and encourages rash decisions, as in the case of dismantling a double track, electrified, Zabrze Biskupice – Pyskowice main line, what resulted in paralyzing freight railway transport operations in Upper Silesia. Such decisions have to be taken after making precise analyzes and after consulting the whole railway society.

Since we interpret the notion of “optimization” in a broader way, we want to remind you at the same time, that the shape of the railway network does not meet current transport demands. This is why we suggest coming back to a concept of constructing new railway lines in Poland (not only high speed railways). And thus, Sieradz – Wieruszów, Podłęże – Piekietko or Busko-Zdrój – Żabno near Tarnów sections, planned already a long time ago, should be built. The sections will form new transport corridors and will allow the requirements of both citizens and industry to be met in a better way. In the context of the current focus on construction of motorways and express roads, lack of real, pro-development decisions regarding the railway network's shape will lead to the railways' further marginalization.

Since we are aware of the fact that, at the same time, an unjustified burden is imposed on the national railway infrastructure manager, we are asking for the urgent introduction of regulations which would absolve PKP PLK S.A. from the obligation to incur costs and all taxes on managing inoperative lines. Lines not used at a given moment should be treated as a reserve for future railway development. It is also important to remember the advantages of administering a long piece of land which could be used to install other types of infrastructure (e.g. fibre-optic cables).

The problems described above and their consequences are, to a significant extent, the effect of the railway sector's own negligence and require well thought-through reforms. **But it is important to remember that the national transport policy should be the first to be optimized. Currently, the state incurs 70% of the costs of motor road maintenance but only 30% of the costs of railway line maintenance, and the ratio between expenditure on modernization and new infrastructure amounts at 85:15, to the advantage of motor roads.** Such a policy is responsible for increasing prices of railway transport and a simultaneous deterioration of track condition, and in consequence, deterioration of the quality of railway services. It makes passengers and freight move from railways to motor roads and this leads to drawing false conclusions about the tiny transport potential of railway lines and

to proposals to liquidate them. And thus, as a priority, the expenditure should be made equal. Only after we work out a fully optimized national transport policy and when conditions of competing become equal for various types of transport, will the national infrastructure manager be able to carry out a proper optimization of the railway network: liquidate hundreds of bottlenecks, realize the revitalization programme and complete missing elements of logical transport routes.

Ladies and Gentlemen,

We must not forget that it is the government who develops the transport policy of Poland. The government decides on amounts assigned for maintenance and investment in specific transport branches. It is the government who decides on issues of railway development in Poland – on expenditure on both maintenance and investment in various transport branches in Poland and formal-legal organization of the transport market. We do not understand why GDDKiA is a branch of the government, whereas PKP PLK is a commercial code company (in consequence, depreciation on investment in railway lines is calculated. And this is artificial and unjust, accounts for higher access charges and worsens the competitiveness of the railways). **Why do more rarely used line constitute a cost, whereas nobody settles costs of motor road maintenance in the same way? Why do the railway incur total costs of level crossing construction and maintenance?** Signatories of this letter appeal for an immediate cessation of the long lasting actions discriminating against railways, especially actions as harmful as the planned programme of network optimization.

Signatories

- Federation of Independent Rail Operators (ZNPK)
- Chamber of Commerce of Inland Transport (IGTL)
- European Rail Freight Association (ERFA)
- Trade Union of Rail Drivers in Poland
- Trade Union of Assistant Station Masters of PKP
- National Rail Workers Section of Independent Autonomous Trade Union “Solidarnösc”
- Federation of the Trade Unions of Railway Workers (PKP)
- Campaign “Trucks on Rails”