CEESNCF
COMITE D'ENTREPRISE EUROPEEN SNCF

EUROSTAR

Waste orchestrated by SNCF

Since June, the committee had requested information on the impacts of the Covid-19 pandemic crisis on SNCF's subsidiaries, Thalys and Eurostar but also about the prospect of merging the two companies, the "Greenspeed" project. The national committees were in the process of consultation without including the European works council which, under European law, has transnational prerogatives to analyze and inform employees overall of the restructuring envisaged by the SNCF Group and consequences in the 5 countries concerned (United Kingdom, France, Belgium, the Netherlands and Germany).

The SNCF EWC has asserted its rights with French tribunal so that the SNCF respects the rights to information and consultation, the appeal procedure is still in court. SNCF management was forced to start the consultation process on November 6th. Faced with partial information and the limited response provided, the committee asserted its right to an independent auditing. This audit provides information on the situations at the end of November 2020 and the measures envisaged, but much information on the costs has not been given by management and the SNCF group's strategy on the two companies remains unclear.

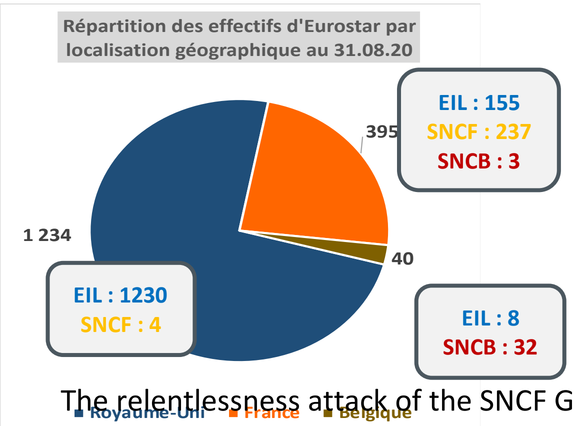
<u>Eurostar: Dividends to shareholders and senior executives, Strain on railway workers!</u>

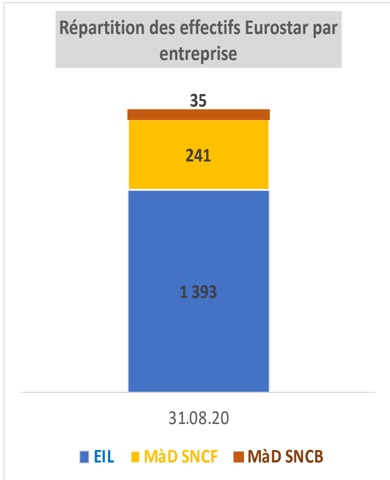
Increased productivity, lower working conditions as well as layoffs for Railway workers, this is the recipe for balancing a financial situation that has been undermined by shareholders. It was in 2010 that the shareholders (SNCF 55%) decided to invest in renewing Eurostar's fleet with Siemens train sets. A decision which proved very controversial with the French Government and Alstom (historical partner) and will weigh heavily 10 years later. This substantial but necessary investment (£ 1bn) will put the company in debt beyond its self-financing capacity, with an inappropriate maintenance and supply contract of £ 25m/year until 2030. The delivery of the first trainsets (17 in total) in 2015 coincides with the repurchase of the shares of the British Government. With the dividends paid out that year, it represents a cost of more than 22% of the revenue (235M £) and see the arrival of pension funds like the Caisse du Dépôt du Québec, a historic partner of the SNCF group and which owns 30% of Kéolis, as well as a fund management, Hermès.

The attacks in France have also an impact on traffic, and Eurostar made 60 jobs redundant at the call center and contract out this service in Romania and Derby for £ 4.2M/year. 127 voluntary departures will follow across the whole business in the UK. The following year, traffic will break a record with the consequences on the working conditions of the remaining railway workers. Nicolas Petrovic, the then CEO will leave the company to go to…. Siemens of course! any coincidence with the contracts concluded would of course be purely fortuitous (sic).

The shareholders are greedy, and the senior management are not left out: 4.5% of the employees (55 and the Director) accumulate 13% of the wages. A 70% cut in wages above £ 85,000 would save 60 jobs. Despite an agreement between Eurostar's management and the Unions, signed in August 2020, on a reduction in wages and working hours, to maintain all jobs, Eurostar decided to make redundancies. We understand better why the EWC's consultation and this despite a glaring lack of information on the management of this company, embarrasses the SNCF Group.

Management of the SNCF Group will force 1 in 5 workers to leave the company in the United Kingdom; more than 200 railway workers on permanent contracts, of which 1/3 of layoffs, 2/3 of "voluntary" departures and the UK government will pay £14M in 2020, through Furlough/Coronavirus Job Retention Scheme.





The relentlessness attack of the SNCF Group on the Eurostar railway workers in the U.K raises moral and ethical questions regarding the fairness of employees based on their place of residence. In short, when it goes wrong, it is better not to work under a U.K contract. Therefore, the issue of Brexit raises questions and concerns about the future of social legislation in the United Kingdom and the application of European legislation on a transnational company like Eurostar which will merge with Thalys, and the status of this new company as well as the location of its future headquarters.

The productive apparatus in the service of financial objectives

We are very far from the "savings plan" announced in September to the EWC, and the SNCF Group is ruthless in the United Kingdom.

Management has not communicated any figures that allow us to measure the economic impacts of the reduction in the scope of activity because only the London-Paris-London, London-Brussels-London and London-Amsterdam-London journeys are maintained (suspension/closures of Calais' station in France and, Ashford and Ebbsfleet's stations in U.K). The same goes for the closure of ticket offices at St Pancras station, the reduction of on-board catering, the reduction of infrastructure costs, the unification of the fleet and the prioritization of Siemens e320 train sets as well as the strategy of maintenance of these sets and the impact on the Temple Mills' depot but also on the contract with Siemens, which refuses to renegotiate even though it receives money when almost no trains have been running since August.

What becomes of "Greenspeed", the proposed merger with Thalys?

In the light of the first elements of a constantly evolving restructuring, we cannot ignore the link between the merging with Thalys and the workforce cuts, mostly in the headquarters of these companies. Yet management continues to deny the connection between a "COVID savings plan" and restructuring in preparation for a merger. It is even more scandalous that these companies have reported and dedicated posts to the development of this merger. The SNCF Group plans to start the consultation in February 2021with the EWC.

The Committee does not yet have all the elements to comprehend the situation fully. The SNCF Group prefers to flout the prerogatives of employee representative bodies and not to give the European Works Council a useful effect for national restructuring. The report commissioned by the EWC, which needed legal action to assert its rights to shed some light on the economic situation and the still very unclear management of Eurostar. This should make it possible to build a balance of power to best serve the interests of the railway workers. Reports' presentation and discussions between the transnational body of the SNCF Group and management should make it possible to unravel a situation that goes well beyond the COVID aspects and already seems to prepare for a most opaque merger. You can count on the determination of the SNCF EWC and its 28 members, 13 nations represented and the 18 trade unions, to act with all the national unions and thus enforce the rights of employees in the SNCF group.