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FEATURE: Railway Management and the Role of Government

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(EJRCF)
2-2, Yoyogi 2-chome, Shibuya-ku,
Tokyo 151-8578, Japan
Tel (81 3) 5334 0623
Fax (81 3) 5334 0624
Email info@jrtr.net
URL http://www.jrtr.net

Hachinohe Station at northern end of Tohoku Shinkansen extension almost completed 1 year before its official opening in December 2002. A Tokyo-bound container express is seen at the front. *(Transportation News)*

Editorial

Difficulties of private infrastructure

Nearly 1 year after the Hatfield disaster (17 October 2000), the British government astonished the world on 7 October by putting Railtrack PLC into administration. Some foreign journals, especially in France, suggested that this quasi-bankruptcy is the beginning of slow re-nationalization. We cannot jump to conclusions at this early stage, because the British government is still showing a strong will to keep Railtrack in the private sector, suggesting the establishment of a new type of 'private company without shareholders.' But in any case, some important revisions and alterations are inevitable to keep the railway in Britain running safely.

In the original government plan, Railtrack was to be the last business to be privatized. But the government suddenly switched course and put a lot of money in the Treasury coffers by selling Railtrack first. Unfortunately, the current British scheme of rail privatization failed to assure the investments that are badly needed for safe operation and future development. We also remember that Eurotunnel, another private rail infrastructure company, failed not so long ago. Railway infrastructure requires huge funds to build and maintain, so adequate management by a genuinely private company is very difficult. There are two important exceptions in the world—freight railways in North America and passenger railways in Japan's main island of Honshu. Both enjoy much higher traffic volumes than their British and European counterparts and both are running railways without separating operations from infrastructure.

T. SUGA

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