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Russian Railways Threatens Commuter Train Cancellations

By Roland Oliphant

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The state rail monopoly said it will cut about 30 regularly scheduled suburban passenger trains from Monday. **Sergei Porter**

Russian Railways will slash local passenger services across several regions of the country because of funding shortfalls.

In a combative statement released late last week, the state rail monopoly said it had been forced into the cancellations by regional governments who had refused its requests to increase subsidies for its commuter train companies.

"Repeated appeals to regional governments by both commuter rail companies and Russian Railways in 2010, 2011 and 2012 with proposals to remedy the situation were ignored. This has led to a situation where the failure of [several] administrations to fulfill obligations to refund losses due to state regulation of tariffs threatens not only a reduction in routes, but the complete cessation of commuter services in their regions," the company said in a

statement.

About 30 regularly scheduled suburban passenger trains will be cut in the Volgograd, Novgorod, Pskov, Murmansk, and Tver regions and the republic of Karelia from Aug. 20, the state rail monopoly said.

Another 50 will be canceled in the Black Earth regions of Belgorod, Voronezh, Kursk, Lipetsk, Tambov and Saratov from Aug. 23. Sverdlovsk will lose six trains from Sept. 1.

Further cancellations are being considered in the Arkhangelsk, Vologda, Yaroslavl, Kostroma and Ivanovsk regions and the Komi republic, the company said.

Repeated calls to Russian Railways went unanswered Friday.

The news follows an announcement by Prime Minister Dmitry Medvedev that federal subsidies for commuter services will be canceled from 2014, and some experts suggested the move was preparation for that loss of income.

The cancellation of domestic rail services that provide a crucial form of transportation for many, largely low-income, Russians carries such political risk that some analysts doubt the threats will be followed through.

"I don't actually think we will see services cut that much, because there is no way you could do it without facing protests on the streets," said Andrei Rozhkov, a transportation analyst at Metropole. "Regional governments can't allow that to happen."

"They [Russian Railways] are sending a message to the regional administrations that they have to step in and replace the federal subsidies," he added.

Loss-making passenger services have been a constant headache for Russian Railways since it was incorporated in 2005.

Russian Railways said it lost over 9 billion rubles ($280 million) on commuter services in 2011, and 4.6 billion rubles in the first half of this year alone.

The company, which controls the second longest rail network in the world, takes federal subsidies of between 30 to 60 billion rubles per year for its capital expenditures.

Fares on both commuter trains and third-class intercity services are regulated by the state to ensure affordability.

The federal government is believed to be keen to reduce subsidies to the monopoly, but has shied away from allowing tariff increases because they might boost inflation.

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