



MEDIA RELEASE
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PRASA RESPONDS ON ITS DECISION TO SUSPEND ITS LONG DISTANCE TRAIN SERVICES

The Passenger Rail Agency of South Africa (PRASA) and Transnet are doing everything in their power to address the issue of service suspensions of the Shosholoza Meyl Long Distance Trains and commence with the running of the service without further delay.

Shosholoza Meyl long-distance trains suspended its services due to operational difficulties experienced with its service providers, Transnet, in servicing the Shosholoza Meyl trains.

“PRASA pays Transnet huge amounts for the maintenance of Shosholoza Meyl locomotives as well as additional amounts to get access to the Transnet network. In fact, Transnet has been given the first right of refusal to render maintenance and refurbishment works. However, PRASA is not receiving quality and reliable services from Transnet to enable it to render decent train services to passengers. It will be difficult to continue to run these services when service levels are deteriorating on any given day. It is totally unacceptable that Shosholoza Meyl’s on-time performance stands at 35%, with passengers experiencing delays of up to 12 hours on-a-day to day basis due to failure by Transnet to do its work despite its high prices”, said Lucky Montana, Group CEO of PRASA.

When PRASA took over the running of Shosholoza Meyl in April 2009, there was an agreement between PRASA and Transnet that long distance trains will be guaranteed access on the lines historically operated by Transnet. In addition, PRASA gave Transnet the first right of refusal to take over all engineering works such as the servicing of locomotives, the inspection of locomotives, refurbishing of trains and access to the system in order to run the long distance trains. A capped amount of R300 million per annum was agreed upon between PRASA and Transnet and over R461 million has been paid by 15 July 2010, the rest of the amount award stands in dispute between the two entities.

“At the heart of the dispute is the inability of Transnet to adequately prove the alleged amounts owed to it by PRASA which are over and above what has been paid by PRASA. PRASA is prepared to go to arbitration in order to resolve the matter once and for all. The actions by Transnet are unconstitutional and prejudice the citizens of South Africa and rural travelers who are most reliant on the long-distance service,” added Mr. Montana.

PRASA is currently in high-level talks with Transnet to jointly resolve the issues and to immediately restore a skeleton service.

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