



DEPARTMENT OF TRANSPORT
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My ref: M/PSO/4456/84

Your ref:

A Lansley Esq
PS/Secretary of State for
Trade and Industry
1 Victoria Street
LONDON SW1

17 MAY 1984

1) New Fletcher: to see

2) pa

DMB
18/5

will request if required.

Dear Andrew,

BRITISH RAIL PURCHASE OF DIESEL MULTIPLE UNITS (DMUS)

Thank you for your letter of 25 April.

Mr Mitchell agrees it is a pity that BR found themselves in a position in which it was necessary to specify foreign components for the initial purchase. With hindsight it is clear, of course, that the timetable which BR had to adhere to for ordering the units was too tight to permit full evaluation of the RR and SCG items. But as I explained in my letter of 9 April to David Barclay, the asbestos problem, including rapidly-rising costs of removal, means that replacement of many of the existing DMUS has become extremely urgent. BR's decision to bring forward the first order for 100 vehicles is part of their strategy of early replacement of low-density, cross-country units. This has been shown to offer the greatest scope for savings.

I can assure you that BR's decision was taken only after they had undertaken an exhaustive analysis of the alternatives which showed clearly that there would be considerable financial advantage in bringing the order forward: asbestos removal from the existing units would be particularly expensive.

BR have had lengthy discussions with RR and SCG, and are very conscious of the implications of their decisions for the companies. Mr Mitchell is confident that they will live up to the assurances set out in my letter to David Barclay.

I am sending a copy of this letter to David Barclay.

Yours ever,

A J POULTER
Private Secretary