

ETAG

History

At the public flotations of Eurotunnel in 1987 and 1990 ‘free’ or discounted travel was offered as an incentive to buy the shares – indeed, for many their sole purpose was to secure these travel rights.

Regrettably not only were the construction costs of the Channel Tunnel and its railway infrastructure almost double the initial estimates partly due to more elaborate safety features than used elsewhere previously, but also its patronage and realised unit revenue fell far short of expectations largely as a result of more efficient ferry operations, abolition of ‘duty free’ and blossoming cheap air travel.

By 2005 it was apparent that as the enterprise was hopelessly insolvent a rearrangement was essential; however, as the group had a concession from the British and French governments for the construction and operation of the tunnel there was a powerful incentive to retain the rump of the original structure within a newly financed company.

Notwithstanding this, despite assurances to the contrary, when the new company was launched the directors decided that they were going to ditch the travel rights, notwithstanding the legal obligation of the original joint companies holding the concession to continue providing them.

So was **ETAG** born in March 2007 – an acronym for the **EuroTunnel Foundation Shareholders Action Group**. It started with Michael Stainer and Paul Fox who had joined Eurotunnel’s Shareholder Consultative Committee about 18 months previously to protect the travel rights, and John Webley who had made contact having spotted the iniquitous provision in the prospectus for the new company. He was in contact with the business editor of *The Daily Telegraph* which resulted in a front page article containing our web address. Russell Ford, a corporate finance expert and chartered accountant like the others quickly joined, as did Michael Spencer QC, a leading barrister specialising in group litigation. A Fighting Fund was started, which was to collect over £140,000 from about 1200 members on what was intended to be the first of two equal instalments.

Scrolling through the Progress Reports and Special Bulletins on this website will provide a ‘blow by blow’ account of the subsequent battles that ensued. The matter was finally concluded, for the time being at least, by the formation of *Le Shuttle Club* at ETAG’s behest to adopt the obligations to provide the travel rights accepted by Eurotunnel in the original share issue.

This has been achieved without any further call on members – indeed about £37,000 remains in the kitty, as may be seen from the Accounts section. Although it was originally intimated that any surplus funds would be returned when our duty was done, a perusal of the twists and turns that we have had to deal with indicates that we should continue to monitor the operations of *Le Shuttle Club* and maintain our residual resources as a defence fund in readiness for any eventuality.