



Strategy 2017

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1 WHO WE ARE

We represent new entrants and cover the whole value chain of rail transportation.

In 2002, a handful of new rail freight operators decided to set up their own association under the name of ERFA (European Rail Freight Association) in Brussels close to the EU institutions.

The Association is very much a spin-off of the First Railway Package, adopted by the EU in 2001, and its vision of creating a single, liberalized and competitive European rail market – ERFA is the “voice of new entrants” in the rail market.

In 2016, ERFA represents 36 members from 16 countries. The Association has evolved to a fully recognized sector association by all EU bodies (European Commission, European Parliament, Council, European Union Agency for Railways, etc.) and other lobby organisations.

The members of ERFA all share a commitment to work towards a non-discriminatory, competitive and innovative single European railway market by promoting attractive, fair and transparent market conditions for all railway enterprises. Today, the members of ERFA represent the entire value chain of rail transportation:

<ul style="list-style-type: none"> • Rail operators • Wagon keepers • Service providers • Forwarders • Customers of the Railways • National rail associations. 	<p>62 Railway undertakings</p>	<p>230 000 Jobs</p>
	<p>3 500 Locomotives</p>	<p>135 000 Wagons</p>

2 WHAT WE STAND FOR

We promote a competitive and innovative single European railway market.

ERFA fully supports a competitive and innovative single European railway market offering attractive, fair and transparent market conditions for all railway companies. ERFA subscribes to the EU’s White Paper goal of achieving sustainable and environmental friendly transport, moving more freight and passengers off the roads and onto rail.

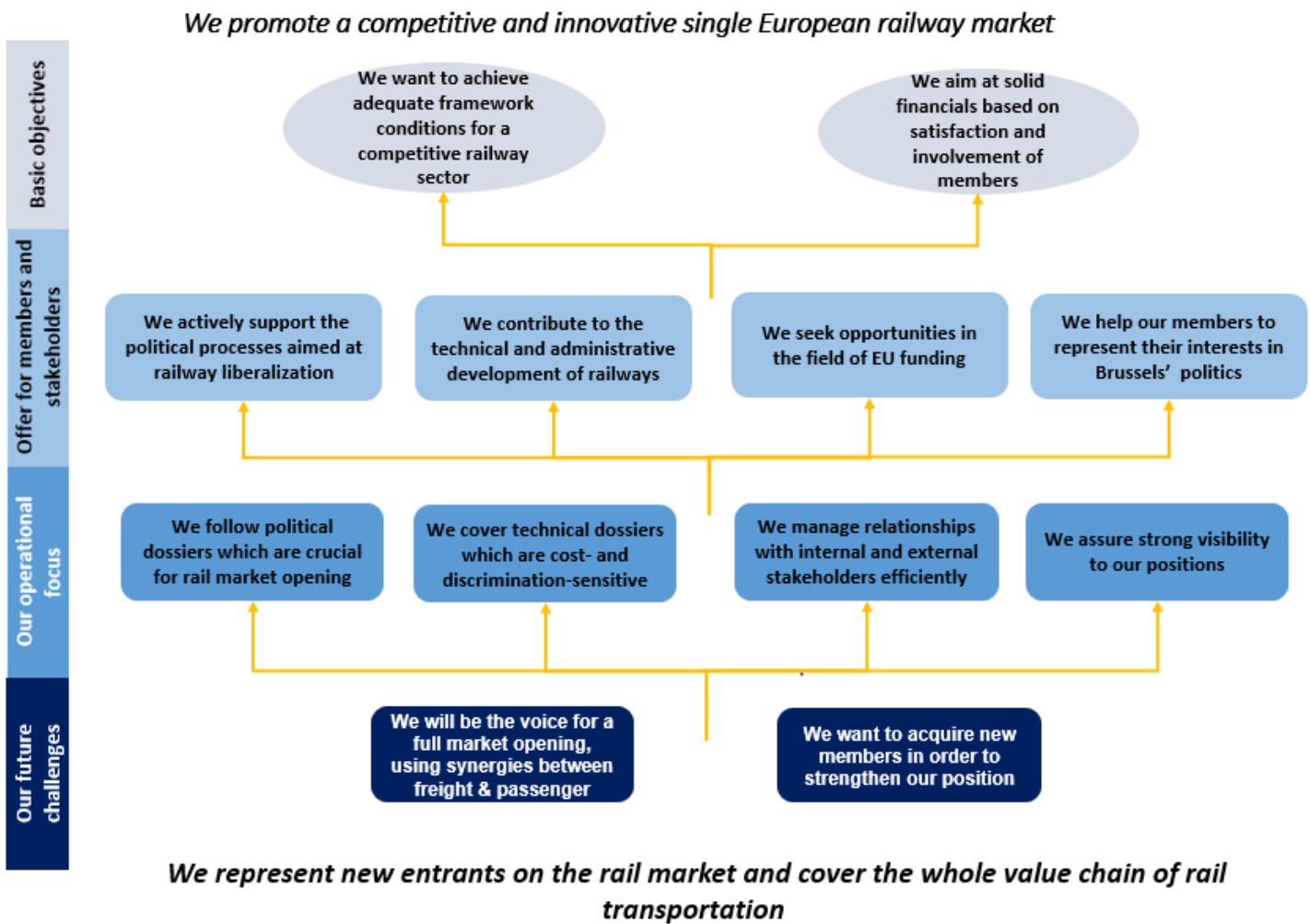
ERFA believes that fair framework conditions are crucial for supporting rail’s growth and ability to deliver on the ambitious EU’s modal shift targets. That means creating the right environment for attracting private capital into the railway system, allowing genuine competition to enhance performance/quality and benefiting from fresh blood to drive innovation and new ideas into the sector. This combination of factors can help rail to stay at the forefront of the European sustainable transport agenda.

After the missed opportunity of the 4th Railway package to properly separate rail infrastructures and operations, ERFA is convinced that a full, timely and correct implementation of existing EU rules as well as ambitious implementing legislation are the key priorities for the development of the rail market.

ERFA strongly believes that market orientation will help the railway system to evolve and prosper. ERFA supports a customer focused infrastructure management and contributes to build up the required structures. New entrants are committed to make rail freight corridors a success by seizing the opportunity of the 2016 Sector Statement and the Ministerial Declaration of Rotterdam and the revision of the legislation to improve rail operations and governance.

Last, but not least, ERFA has a strong interest in minimizing climate change and its members contribute to the reduction of undesirable environmental effects by delivering highly attractive customer services, thereby creating a strong pull effect of its customers (industry and passengers) to opt for rail transportation.

3 THE ERFA STRATEGY IN A NUTSHELL



4 OUR BASIC OBJECTIVES

We want to achieve the best conditions for a competitive railway sector.

The mission of ERFA is to promote European rail transportation and its stakeholders through the complete liberalisation of the market.

ERFA seized the opportunity of the discussion on the 4th Railway Package, to develop synergies and bundle forces between freight and passenger new entrants - who face similar challenges - vs. incumbent, historic operators. Seeking strong alliance with such passenger operators strengthens the voice for change in the rail sector.

ERFA brings together the views of the independently managed operators to support the decision-making process with a focus on policy and technical affairs.

We are seeking to:

- Improve the competitive position of rail against other modes
- Achieve liberalisation for a fully transparent, independent and open railway market
- Reduce legal and material obstacles to cross-border and international transport services
- Work towards the development of interoperability and the implementation of common safety standards commensurate with competing modes
- Bring about optimal operating conditions on the European rail network
- Enhance customer orientation of the railway system.

We aim at solid financials based on satisfaction and involvement of members.

ERFA is a small but effective lobbying organisation in Brussels. Its success is founded on pragmatism and the operational experience of its members, who are represented primarily at high management level.

ERFA strives to achieve maximum output with limited resources, thereby requiring support (in kind) from its members. The association promotes the exchange of experience by means of active communication, frequent personal contacts, and participation in numerous working groups.

The main organs of the Associations are the General Assembly and the Board of Directors.

To be able to achieve the desired outcome in the interest of its members, the Association requires a solid financial situation to secure its independence and stability. The present fee structure foresees the following contributions:

Member category	Fee level	
RUs	< 10 million	5,000
	10 – 100 million	10,000
	100 – 200 million	15,000
	200 – 300 million	20,000
	300 – 500 million	25,000
	> 500 million	50,000
Customers of the RUs (shippers)	10,000	
Other companies: Wagon keepers, leasing companies, operators, IT companies	< 250 million	10,000
	> 250 million	20,000
Associations	5,000	
Associated members	5,000	

5 OUR OFFER TO MEMBERS AND STAKEHOLDERS

We actively support the political processes aimed at railway liberalisation.

Compared to other modes of transport, particularly road and aviation, rail is lagging behind in customer-orientated developments. This trend needs to be reversed.

Today, the barriers and discriminatory practices faced by all new entrants (public and private) across Europe prevent much-needed investments, innovation and creativity in the rail sector. The barriers also undermine the wider interest of boosting growth and jobs across Europe.

ERFA's objective is to bring about reliable and attractive market conditions and reforms for all new entrants via EU legislation whilst preventing EU legislation creating disadvantages for the rail sector.

ERFA will achieve this by creating a close and constructive relationship with all relevant EU institutions and other stakeholders whilst raising the awareness of the particular challenges of new entrants in the current railway market.

We contribute to the technical and administrative development of railways.

ERFA's objective is to ensure suitable and affordable technical conditions whilst preventing legislation which may lead to discrimination of new entrants.

ERFA will achieve this by actively contributing to relevant initiatives of the European Commission and the European Union Agency for Railways (ERA) via its status as a recognised body (including its seat in the ERA Management Board), whilst raising the awareness of the particular challenges and burdens of new entrants in the current railway market.

We actively support market orientation.

ERFA's members invest private capital into the rail system and seek opportunities to grow sustainably in this market. Where market conditions are not satisfactory, ERFA acts as "driver" in order to overcome existing problems.

ERFA actively contributes in identifying operational and regulatory bottlenecks and to develop concrete solutions and initiatives through the Railway Undertaking Dialogue and its subgroups in order to improve the marketability of the rail sector.

We seek opportunities in the field of EU funding.

ERFA's objective is to seek funding opportunities on EU level (e.g. Connecting Europe Facility, Shift2Rail, etc.), to the benefit of our members.

ERFA will achieve this by actively contributing to all relevant EC and R&D initiatives (Shift2Rail) and by teaming up with all relevant stakeholders in the interest of its members.

ERFA will pursue practical solutions allowing new entrants to benefit from EU funding opportunities in particular in the field of ERTMS deployment and noise abatement for freight wagons.



We help our members to represent their interests in Brussels' politics.

ERFA's objective is to support its members in case of problems affecting their individual business, helping with infringements against EU legislation for members unable to resolve the problems at national level and to act as whistle-blower vis-à-vis all relevant EU institutions.

ERFA's objective is also to raise the members' understanding of EU initiatives and ongoing activities by providing them direct access to EU ad hoc events, meetings but also regular working groups.

ERFA's objective is also to provide public awareness of its members via Press releases, regular Newsletters, and active participation in events and conferences.

6 OUR OPERATIONAL FOCUS

We follow political dossiers which are crucial for rail market opening.

We follow technical dossiers which are cost- and discrimination-sensitive.

We act as market oriented driver of progress.

ERFA focuses its activities on those EU initiatives, which represent for its members:

- A clear business opportunity (e.g. market reform)
- A clear business threat (e.g. administrative / technical constraints, discrimination)
- A clear financial burden (e.g. overregulation)

The following list is not exhaustive but illustrates the above:

Issue	Position of ERFA	Benefits for new entrants
Fully, proper and timely enforcement of EU rules on market opening	<ul style="list-style-type: none"> > Continue to pursue the creation of the right environment for an attractive and open rail market > Strengthen cooperation with enforcement authorities and Regulatory Bodies > Greater involvement of competition authorities in case of unlawful state aid and abuse of dominant position > Stricter and more transparent rules to avoid financial flows in holding companies 	<ul style="list-style-type: none"> > More level <i>intramodal</i> playing field between incumbents and new entrants > Reduction of the risk of discriminatory practices against new entrants > Reduction of the risk of indirect competitive advantages via financial flows > Improved performance and efficiency
4th Railway Package (technical pillar) Implementation phase	<ul style="list-style-type: none"> > Clean-up as much as possible national rules > Prevent discrimination and lack of transparency > Abate unnecessary costs 	<ul style="list-style-type: none"> > Greater <i>intermodal</i> level playing field between rail actors and other modes; > Reduction of the risk of discriminatory technical rules against new entrants > Transparent, stable and cost-effective certification and authorisation processes.
Rail Freight Corridors revision / implementation of the Sector statement	<ul style="list-style-type: none"> > Give a clear supranational approach and leadership to the RFCs through a revision > Allow RFCs to provide small-scale investments with high benefits for rail performance > Improve decision-making processes and include users > Translate the Sector Statement's priorities in concrete and effective actions at the operational level > Promote solutions and projects for the Train status & Estimated Time of Arrival along corridors > Improve relevance of PAPs for the market > Better integrate terminals within the RFCs 	<ul style="list-style-type: none"> > Ensure more market-orientated and user friendliness of the corridors. > Develop supranational corridors > Remove operational bottlenecks along corridors. > Accelerate technical harmonisation/interoperability along and between corridors > Meet TEN-T technical requirements (e.g 740m train length, 22.5 axle load, 100km/h line speed, full electrification)
Digitalisation and open source data	<ul style="list-style-type: none"> > Send clear message in favour of open source data in the rail sector > Drive forward the concept of e-freight 	<ul style="list-style-type: none"> > Cost reduction, efficiency increase and more competitiveness for rail > Improved and more equitable use of existing data

Issue	Position of ERFA	Benefits for new entrants
	<ul style="list-style-type: none"> > Promote standardised and interoperable, solutions across the EU > Identify where EU intervention is relevant i.e. where there are market failures > Develop a multi-modal approach of digitalisation > Launch an ERFA pilot project on the Estimated Time of Arrival 	<ul style="list-style-type: none"> > Improve attractiveness and reliability of rail business for customers.
ERTMS	<ul style="list-style-type: none"> > Ensure harmonised, stable and compatible ERTMS-versions across Member States > Contribute to the development of a business case for RUs > Lobby for EU funding for new entrants (CEF, toll-bridge approach, etc.) > Develop an effective financing solution, sharing costs and benefits between IMs and RUs in order to best support RUs in the deployment phase. > Ensure level playing field between incumbents and new entrants as well as between freight and passenger operators 	<ul style="list-style-type: none"> > Support small RUs in the transition period of ERTMS deployment > Limit the risk for investments for RUs > Single ERTMS system should in the long term reduce costs and processes for all rail actors alike (provided interoperability is secured) > ERTMS should increase performance, safety and capacity of single EU rail market
Implementing act “Access to freight facilities”	<ul style="list-style-type: none"> > Support non-discriminatory access for RUs to rail facilities and related services > Improve transparency and standardisation of processes for requesting access > Promote coordination process to solve conflicting requests in access service facilities. > Support an effective implementation of the viable alternative concept. 	<ul style="list-style-type: none"> > Reduction of risk of discriminatory practices for new entrants > Creation of a more business-friendly environment for rail facilities > Ensure that the facility market best supports rail’s competitiveness
Timetabling and coordination of infrastructure works	<ul style="list-style-type: none"> > Promote greater flexibility and quality for freight timetabling > Ensure short response time and quality for ad-hoc requests > Improve customer-orientation of IMs > Improve coordination of infrastructure works between IMs and a systematic consultation of RUs in order to minimise the impact. 	<ul style="list-style-type: none"> > Improve rail freight’s operations > Better predictability in case of infrastructure works. > Improve customer-orientation of IMs
Passenger issues	<ul style="list-style-type: none"> > Use synergies between freight and passenger operators to achieve the liberalisation of the Single European Rail Area. > Passenger operators can benefit from ERFA’s freight experience across Europe for an open market in both international and domestic market. > Lobby for mandatory competitive tendering in the public service contracts > Oblige RUs to participate in a nationwide ticketing system to avoid discrimination. 	<ul style="list-style-type: none"> > Benefit from the achievement of the Single European Railway Area > Improve market conditions and environment for both freight and passenger operators

Issue	Position of ERFA	Benefits for new entrants
	<ul style="list-style-type: none"> > Ensure non-discriminatory access to rolling stock purchased by state owned enterprises 	
Decarbonisation agenda	<ul style="list-style-type: none"> > Support effective measures to improve the playing field between rail and other modes > User pays and polluter pays principle must be applicable to all modes. > Encourage a distance-based toll system for road users. > Earmark revenue raised by internalisation to sustainable modes of transport, in particular rail 	<ul style="list-style-type: none"> > Improved competitiveness of rail. > Increased attractiveness of rail for customers > Direct investment of the users into rail infrastructure > Strong priority for modal shift in the decarbonisation agenda
Noise abatement	<ul style="list-style-type: none"> > Lobby to avoid unilateral national measures, e.g. night-bans, speed restrictions > Support EU approach and a realistic timeframe for phasing out “noisy” wagons > Lobby to safeguard overall rail transport competitiveness > Ensure targeted public funding covering the full life cycle costs, combined with infrastructure improvements 	<ul style="list-style-type: none"> > Potential long-term benefit for rail vs. road due to lower noise levels (increasing public acceptance of rail-related projects)
Telematic Applications for Freight and Passengers (TAF-TSI, TAP-TSI)	<ul style="list-style-type: none"> > Legal obligation for all rail actors > Cost-efficient solutions for new entrants to enable them to meet their obligations > Support of data sharing to improve processes and performance of rail system 	<ul style="list-style-type: none"> > Improved tracking and tracing of rail operations > Improved customer information for passengers
Rationalisation of vehicle-related registers	<ul style="list-style-type: none"> > Ensure cost-efficient, transparent and equal access to registers and databases > Lobby for high quality data and accessibility (user-relevance and usability) 	<ul style="list-style-type: none"> > Fully operational registers and databases can increase the efficiency of the rail sector as a whole
Revision of Combined Transport Directive	<ul style="list-style-type: none"> > Clear definition of Combined Transport > Lobby for quality, reliable and attractive goods haulage services > Update of regulation to today’s market requirements and realities 	<ul style="list-style-type: none"> > Secure business opportunities for new entrants in a segment of their business Increase attractiveness of rail vs. other modes
ECM (entity in charge of maintenance)	<ul style="list-style-type: none"> > ECM certification for freight wagons provides a clear benefit for keepers and RUs > Lobby for in-depth assessment whether mandatory or voluntary certification for all vehicles (locos and passenger coaches) shall be introduced. 	<ul style="list-style-type: none"> > Single EU wide system, supporting the safe state of maintenance of wagons and abolishing inefficient rules and processes and clarifying responsibility RUs-Keepers > Potential to reduce costs throughout the entire rail sector
GCU (General Contract of Use)	<ul style="list-style-type: none"> > Secure ERFA interests as founding member of the GCU in all relevant working groups 	<ul style="list-style-type: none"> > Cost and time reduction via a multilateral standardized contractual agreement, avoiding bilateral contracts

We manage relationships with internal and external stakeholders efficiently.

Limited means, big impact: this is one of the main challenges of ERFA. In order to achieve our aims, we base our daily business on the following success factors:

- Adoption of an Annual Strategy with a regular review process
- Definition of resources necessary to implement the Annual Strategy (financial, HR)
- Effective working organisation based on clear structure, competence and delegating
- Definition of clear and transparent reporting duties (experts, members, Board, Chairman)
- Efficient management of relationships with internal and external stakeholders
- Efficiency achieved due to defined processes and continuous improvement

We assure strong visibility of our positions.

ERFA increased its contacts with the European Parliament and the European Commission and is now a well-known stakeholder in the European environment. ERFA will multiply its contacts with Member States, Regulatory Bodies and Competition authorities in order to make sure that the primary legislation is fully, properly and timely implemented in Europe.

ERFA will ensure the strong communication of core messages to key decision-makers. New entrants must be considered alongside incumbent, historic operators, as equal stakeholders in the rail sector. They add value for rail growth potential, modal shift and innovation.

The ERFA communications strategy is based on the following pillars

- Agreement on Board level of profile and core messages of ERFA
- Yearly definition of communication tools and messages
- Communications plan comprising:
 - ✓ Yearly General Assembly event
 - ✓ Press releases
 - ✓ Up-to-date held Website
 - ✓ Targeted newsletters
 - ✓ Regular public Newsletters

7 OUR FUTURE CHALLENGES

We focus on the marketability of rail services

Bad quality and high prices – under these circumstances rail can't grow. New operators are the first to suffer from negative market conditions, but also the most active to push for better framework conditions.

ERFA will consistently address issues at strategic as well as operational level that foster the development of the rail sector, such as the access to service facilities, the level of track access charges, the improvement of the Rail Freight Corridors, the improvement and harmonisation of operational processes, the opportunities offered by the Digital Agenda etc.

The involvement of the whole value chain within ERFA – railway undertakings, wagon keepers, terminal operators, shippers, customers – ensures market orientation and strengthens the position of the Association.

We will be the voice for a full market opening, using synergies between freight and passenger operators

As the only association promoting a full market opening, ERFA considers the strong alliance with passenger new entrants as a major opportunity to strengthen its position and to promote reforms of the rail market. An enlarged ERFA, representing a large set of entrepreneurial railway companies will become a stronger counterpart for the European Institutions and will have more impact on the political agenda.

Many issues and challenges are common to the passenger and freight sectors. The first is the persistence of vertically integrated structures and the opposition to any changes. The lack of political will and vision to support rail's growth and prosperity is evident in the disappointing position adopted on the political pillar of 4th Railway Package.

ERFA is the voice for change in the rail sector.

We want to acquire new members in order to strengthen our position.

We have identified a number of independent freight and passenger operators in many member states who are unhappy with the current operating and structural environment of the rail sector. ERFA seeks to involve them in an EU-wide campaign to support liberalisation.