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Can new rail operators survive in a monopolistic environment?

New entrant rail operators, represented by ERFA, are worried about the remonopolisation tendency in the railway market. The 4th Railway Package, proposed by the European Commission, intends to establish a level playing-field. Politics must bring forward this much needed rail reform in order to enable smaller and independent operators to contribute to rail growth.

New entrant rail operators, represented by ERFA, are worried about the remonopolisation tendency in the railway market. ERFA members, who represent 70 railway undertakings and 15.000 jobs, are increasingly facing discrimination due to unfair market conditions.

Today, the development of a sustainable railway system is held back by monopolistic rail operators intent on maintaining their own dominant position. The barriers and discriminatory practices faced by ERFA members across Europe kill-off much-needed dynamism, innovation and creativity in the rail sector. The barriers also undermine the wider interest of boosting growth and jobs across Europe.

The smaller rail transport operators need adequate conditions where they are not squeezed out and hindered by the incumbent rail operators. ERFA refuses to believe that domination by a handful of very powerful railway operators will benefit customers, passengers or the environment.

The 4th Railway Package establishes fair market conditions

The Governance Pillar of the 4th Railway Package removes the many discriminatory practices faced by the smaller players on the rail market and that are undermining their ability to invest in rail and grow.

ERFA supports the European Commission proposals of so-called Chinese walls guaranteeing transparent financial flows within holding structures, whereby the infrastructure owner and incumbent railway undertakings are under the same ownership. As long as a financial stake exists between the infrastructure manager and the incumbent railway undertaking, the infrastructure manager will continue to have an interest in awarding privileged treatment to the incumbent railway undertakings to the detriment of the other rail users and the whole rail system.

ERFA believes that the entity responsible for the management of the tracks should not have an interest in undermining or blocking other rail users, with which it has no direct financial ties. This type of treatment is unjustified and is sadly experienced by ERFA members across Europe, jeopardising the very existence of new entrants, deterring investment and going against all serious attempts to promote rail growth.

PRESS RELEASE



New entrants bring innovation and dynamism into the market

New entrants on the rail market, who by definition are not the big incumbent rail operators, drive forward the competitiveness of rail vis-à-vis the other modes. They offer new and innovative services for customers, invest in the rail network, and generate jobs across Europe.

Customers are rightly expecting to get the best services possible from all rail operators and the members of ERFA are keen to develop them. A healthy competition between incumbents and new entrants offers freedom of choice for customers and contribute to make the railway market more attractive for all.

Fair and reliable framework conditions are a prerequisite for investments in the sector. Allowing dominant players on the rail market to block smaller operators, thereby preventing the creation of new services, simply works against the wider interest of revitalizing rail in Europe.

Are EU politicians turning their backs on rail growth?

Despite the political rhetoric for more goods and people to be transported by rail, EU politicians are sitting back while the smaller and independent players on the rail market, who bring much needed growth, investment and innovation, are being squeezed out.

ERFA urges the European Parliament's Transport Committee, ahead of the Italian Transport Minister's presentation to MEPs on 22nd July, to maintain the pressure on the EU Member States to make progress on the political pillar of the 4th Railway Package. It is only via important reforms to the political pillar that open, democratic and transparent framework conditions for all players on the rail market can be secured.

ERFA reminds politicians that holding back rail's potential is a gift to the more polluting modes of transport. ERFA calls on the EU Member States and the MEPs to seize the opportunity to secure a bright future for rail in Europe, which also serves the wider jobs, growth and sustainability agenda.

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ERFA - European Rail Freight Association - represents new entrants, i.e. all those operators who want open access and fair market conditions, and sustains their role of pushing forward the development of the railway market. The Association is very much a spin-off of the First Railway Package, adopted by the EU in 2001, and its vision of creating an open and competitive European rail market.

In 2014, ERFA represents 31 members from 16 countries. The members of ERFA all share a commitment to work towards a competitive and innovative single European railway market by promoting attractive, fair and transparent market conditions for all railway companies.

The members of ERFA represent the entire value chain of rail transportation: rail freight operators, wagon keepers, service providers, forwarders, passenger operators and national rail freight associations.

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