

PRESS RELEASE



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Lack of financial transparency: ERFA congratulates European Commission on Infraction Proceeding

ERFA congratulates the European Commission on its decision to take Austria to the European Court of Justice for failing to comply with EU rules on financial transparency in the rail sector.

This issue goes to the heart of concerns of independent operators. According to the European Commission, public funds may be used to cross subsidise other transport services open to competition, such as freight or passenger services.

ERFA's concern is that public money intended for investment in rail infrastructure or for the provision of public transport rail services is diverted away either so that incumbent operators can increase their market share via acquisitions or so that they can artificially lower their costs and achieve an unfair competition advantage vis à vis other rail operators.

With today's legal framework of vertically integrated railways, the risk of cross-subsidisation is too great, which is why ERFA supports the proposals in the political pillar of the 4th Railway Package to strengthen financial transparency.

This legal action against Austria also follows a currently pending court case against Germany on similar grounds.

Resorting to legal action, as is the case here, is a long and time-consuming procedure, which many smaller operators do not have the resources or time for.

EU Member States have the opportunity now to act to ensure financial transparency on the rail market and ERFA urges the EU Transport Council to push on with important rail reform via the political pillar of the 4th Railway Package.

A more competitive EU rail sector is key to creating more attractive services for both customers and passengers.

Private investment in passenger and freight services brings innovation, much improved services and results in growth. However, investors will not be attracted whilst they have the fear of political interference from incumbents, via for instance cross-subsidisation.

Business and investors need a fair and transparent single market in rail to deliver the transport and environmental benefits that are essential to Europe's future.

PRESS RELEASE



Note to editors:

Commission takes Austria to court for not ensuring financial transparency

http://europa.eu/rapid/press-release_IP-14-2132_en.htm

Commission takes Germany to court for failure to separate financial flows

http://europa.eu/rapid/press-release_IP-13-1097_en.htm

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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 34 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.