

Brussels, 2<sup>nd</sup> October 2014

**OPEN LETTER calling on EU Member States to end the grid-lock within the rail sector that jeopardises the future of rail in Europe**

**ERFA, representing newcomers on the rail market, urges the Council to remove the discrimination potential that incumbents have at their disposal and use against newcomers, and to create the preconditions for more private investments and growth in the rail sector**

Dear members of the Transport Council,

Ahead of the discussions taking place at the 8<sup>th</sup> October Transport Council, ERFA reiterates its call on EU Member States to modernize the present governance structure of the railways, which diminishes the competitiveness of the rail sector vis-à-vis the other transport modes, and hampers the modal shift target of the EU.

The governance structure which persists in many European countries pits incumbent operators against newcomers on the rail market, giving incumbent operators the tools to weaken and even push their competitors off the market. Newcomers' efforts to bring innovation, jobs and greater efficiency on the rail market are deterred and even jeopardised, restricting much needed growth and investment on the rail market. Newcomers are left fighting for survival, rather than promoting a healthy and dynamic rail sector, fit to compete with the other transport modes.

That is why ERFA argues in favour of a level playing field for all operators. A rail network, where the owner of the tracks is focused on privileging its own operator to the detriment of competitors will not succeed in reversing the stagnation and decline rail is confronted with. An infrastructure manager that refuses access or offers unattractive slots to new entrants, that practices stalling or delaying tactics with new entrants – this is the type of behavior we are seeing in the rail sector. ERFA argues that a weak and naval-gazing rail sector can never rise to the challenges posed by the modern transport world or the competitive pressures coming from the other modes of transport, most notably road transport.

ERFA therefore urges Member States to support important changes in the political pillar of the 4<sup>th</sup> railway package, in order to develop a rail sector that works in the interest of all, and promotes the development of the railways in the interest of the market, the environment and society as a whole.

With this in mind ERFA calls on the Council to support:

- a strong and independent infrastructure manager, who works in the interest of all rail users, developing the rail network in the interest of efficient rail connections and not to suit the interests of the one, privileged incumbent operator;
- strong Chinese walls, guaranteeing transparent financial flows within holding structures, which remove the risk of unfair competition between incumbents and new entrants;
- Coordination Committees that work in cooperation with all rail users, ensuring that the development of the rail network meets their needs and provides a good return on investments.

We further urge the Council to keep to the spirit of 4<sup>th</sup> Railway Package. Its intention is to remove market barriers that hold back the sector, be they linked to technical issues such as the cross acceptance of rolling stock, or to political issues such as the access of operators to the rail infrastructure. A half-finished job will not reach the goal and ERFA calls on the Member States to complete discussions on the political pillar.

ERFA members are united in being exposed to vast discriminatory practices from incumbent operators. They are growing in number, as discrimination on the market persists. A number of rail companies have joined the Association lately, strengthening our alliance to challenge the current regulatory environment.

ERFA urges the Council to achieve a regulatory framework that supports newcomers on the rail market, thereby improving the competitiveness of the rail sector and attracting much needed private investment to the sector.

Yours Sincerely,



Irmtraut Tonndorf  
ERFA President



Julia Lamb  
Secretary General