

PRESS RELEASE



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4th Railway Package, Political pillar: A missed opportunity

As negotiations on the 4th Rail Package political pillar provisionally came to a close yesterday, ERFA, representing new entrants on the rail market, expressed disappointment at the limited progress in achieving a competitive, sustainable and growth-orientated rail sector. The result is far removed from the European Commission's initial ambition for reforming rail.

The vested interest of the rail monopolies dominate the outcome, blindly supported by many EU national governments, who in the meantime plough ahead with truck platooning for freight services and liberalising their long-distance bus markets, while their state-run rail companies spiral increasingly into unsustainable debt levels.

The real winners from yesterday's agreement are the other more polluting modes of transport, led notably by the road sector, who continue to make market gains where rail refuses to reform.

Basic conditions to enable rail to stay at the forefront of the EU's sustainable transport agenda have been missed.

The concept of a service provider, the rail infrastructure manager, providing services independently and impartially of any railway undertaking, working for the growth and performance of the sector, rather than for one single operator, still appears too revolutionary for the rail sector. The much-diluted provisions on financial transparency for how the state-run companies manage their financial accounts also leads to believe that there is no real appetite for ensuring that public funds are used to stimulate investment, and not to constrain growth in the sector (via e.g cross-subsidisation).

ERFA continues to actively pursue the creation of the right environment for attracting private capital into the railway system, genuine competition to enhance quality of rail services and the benefits of fresh blood in driving innovation and a much-needed renewal into the sector.

Strengthening cooperation with enforcement authorities and rail regulators, ERFA will tackle head on the non-application or misapplication of basic EU rules ensuring non-discrimination and greater customer-orientation. Current EU rules requiring infrastructure providers to reduce costs and user charges are just one of the areas that require urgent attention.

ERFA will also turn to the greater involvement of the competition authorities in cases of unlawful state aid and abuse of dominant position. The recent dawn raids on the Austrian passenger market could signal the start of a crackdown on anti-competitive behaviour in the rail sector, where EU rules have failed to regulate the market.

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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 2016, ERFA represents 33 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.