

## NEW MEMBERS



Based in Austria, LKW Walter's core Business is the organisation of full truck loads by road and in Combined Transport throughout Europe and to/from Russia, Central Asia, the Middle East and North Africa. Since 1984 LKW WALTER has carried out pioneering work in the development of Combined Transport by rail/road or in short sea shipping.



P&O Ferrymasters is one of the leading European providers of tailor-made transportation and logistics services. P&O Ferrymasters designs and delivers intermodal and road transport and supply chain solutions across the whole of Europe and eastwards into Russia and Ukraine.

## REVISION OF RAIL FREIGHT CORRIDOR LEGISLATION IS COMING: ERFA INPUT TO SHAPE INTERNATIONAL RAIL FREIGHT IS NEEDED!

ERFA welcomes plans by the European Commission, as announced in the **Decarbonisation Strategy**, to revise the existing legal framework for the rail freight corridors (RFC). ERFA supports ambitious changes to improve the performance of the corridors, both via on-going voluntary action from the sector and via a revision of the legislation. RFCs need to be a driver for rail freight's growth and therefore for the decarbonisation of transport. Customers choose transport mode not on the basis of the policy priorities, but on the basis of quality and performance. In response to the public consultation launched by the European Commission ERFA highlights the following issues that need to be tackled in order to improve rail freight's competitiveness on long-distance and cross border operations:

- **The governance of the RFCs** needs to be strengthened: they need improved accountability; results-orientation and leadership. Both users and end-customers should be better involved in the governance, with a European Coordinator introduced to steer a supranational approach.
- **RFCs should be given their own budget to implement quick win infrastructure developments** e.g achieving as a minimum 740 m train length. This new, dedicated budget for the corridors would provide small-scale investments that would make a big difference to rail performance.
- **Traffic management, priority rules and coordination of works on the corridors should be looked at again with the objective of enabling rail to offer marketable and attractive services.**
- **Comparable, transparent and user-orientated Key performance indicators** are needed to steer performance of RFCs and incentivise progress. They must be targeted to overcoming the cost, technical and quality barriers of the corridors, thereby enhancing the performance of rail freight services.

## A NEW ACTING SECRETARY GENERAL IN ERFA



From 20<sup>th</sup> July, ERFA's Secretary General, Julia LAMB is on maternity leave. **Markus VAERST** has taken up his position of ERFA Acting Secretary General and will be head of ERFA's Brussels Office until the end of the year. For more than 25 years Markus Vaerst has been acquiring a broad knowledge base and in-depth experience in various European rail freight related matters. He has initiated and led numerous studies and reports for key international associations representing the rail freight industry. Currently he is actively involved in rail freight related issues such as Liberalization, Safety, Interoperability, and Noise.

## NEWS IN BRIEF

### COMPETITION SERVICES OF THE COMMISSION HAVE THEIR EYES ON THE RAIL SECTOR

[The European Commissioner for Competition, Margrethe VESTAGER](#), declared that **the whole economy is suffering from old rail monopolies trying to shut out rail competition**. Their energy should be more dedicated to rail's performance. The Commissioner's declaration coincides with a **joint meeting in July between the Competition and Transport units of the European Commission** to discuss operational barriers faced by new entrants and action to be taken by the Commission.

### DAWN RAIDS IN PASSENGER INCUMBENTS IN AUSTRIA, SLOVAKIA AND CZECH REPUBLIC

[The European Commission confirms](#) that **dawn raids have been proceeded in ÖBB (AT), ZSSK (SK) and CD (CZ)**. Those companies are accused to have concluded **anti-competitive agreements aiming to shut out competing rail passenger operators** from the market. This practise highlight that rail still behaves too much like monopoly service provider

## EUROPEAN DECARBONISATION STRATEGY: ERFA PUSHES FOR MODAL SHIFT OBJECTIVES

On 20<sup>th</sup> July, the EC published its [decarbonisation strategy](#) with a clear objective: to bring the transport sector, which accounts for a third of European emissions, "on the path toward zero emissions" by 2050. For doing so, the EC focuses mainly on road's efforts to reduce emissions. A revision of road charging legislation is planned in order to include carbon emissions in the price of road and to move toward a distance-based toll system. This initiative can help **levelling the playing field between transport modes** by applying the user-pays and polluter-pays principles, in particular for long-distances.

Furthermore, in line with ERFA's concerns raised in a [joint letter co-signed by European transport associations](#), the **EC wants to enhance rail's performance in order to incentivise modal shift**. In that regard, the RFC legislation will be revised and the combined transport legislation amended to simplify economic incentives for combined transport. ERFA will make sure that **modal shift from road to rail, which accounts for the lowest-carbon emissions, remains a priority for the EC** in the next years in order to drive the effective decarbonisation of transport. Therefore, hand in hand with adopting measures to level the playing field, ERFA will support efforts to improve the competitiveness and the customer-orientation of the rail sector.

## ACCESS TO SERVICE FACILITIES SUBGROUP: PROGRESS TOWARD A FUTURE REGULATION

The 3<sup>rd</sup> RU subgroup meeting, chaired by ERFA, continued to provide input to the European Commission on how the facilities market can best support rail's competitiveness. On this occasion a joint session was held with the Rail Regulatory Bodies (RB) to discuss what provisions could be developed to ensure non-discriminatory access to facilities. The rail regulators are in favour of a **mandatory list of basic information** which should be provided by the facility operator and contains e.g description of the facility, contact details and charges, in order to improve transparency and to avoid discrimination in the facility market. Some of **the rail regulators were perplexed at why there was opposition from some RUs regarding the transparency requirements and the need to publish access conditions**. Further discussions took place on the need for a transparent coordination process in view of conflicting requests for access or in cases of "full capacity". It was agreed that sending an RU to an **alternative facility should be an option of last recourse** and that maximum effort should be made to accommodate an RU's access request. A **better coordination of requests** and the **resolution of conflict** were discussed as well. Service facility operators should try to allocate all the capacity requested and should have a transparent resolution process in case of conflict between different requests.

**The next subgroup on Access to Service Facilities will take place on 19<sup>th</sup> October in Brussels.**

## INFRINGEMENT PROCEDURES

The EC [refers Greece, Luxembourg and Romania to the European Court of Justice](#) for failure to transpose the Single European Railway area rules, which guarantee fair access to the rail market.

## DEUTSCHE BAHN AND COMPETITION

Each year, DB publishes an [annual report on the state of competition](#) in Germany. In the 2016 report, DB complains about the lack of liberalisation of the rail market in other Member States, but stops short of mentioning that the **most lucrative part of the German market, long-distance passenger services, is still for the most part closed to competition.** For the rail freight market share competitors have again increased their market share, from 33,6% in 2014 to 39.1% in 2015. DB also complains about the unfair competition with road, but is also an important truck and bus operator.

## FRENCH REGULATOR OPPOSES FRENCH TRANSPOSITION OF EU RULES

The French Regulator, ARAFER, gave [a negative opinion on the French transposition of EU rules on Access to service facilities.](#) According to ARAFER, the French legislation does not provide all the conditions for non-discriminatory access to service facilities in terms of charges, independence from the incumbent, and transparency.

## HOW TRACK ACCESS CHARGES CAN MAKE RAIL MORE COMPETITIVE?

In line with current discussions in the European Parliament led by Dutch MEP Wim van DE CAMP, ERFA proposes **better enforcement of existing EU rules on track access charges as one important tool** to make rail more competitive. Key ideas for improving the transparency, efficiency and consistency of charges are included in the respective [ERFA paper](#).

In line with new EU rules (Recast Directive 2012/34/EC and the Implementing legislation EU 2015/909) IMs are obliged to reduce their costs and the level of charges. Is this requirement being implemented? The new EU rules also introduce **more transparency in the calculation of charges.** Regulatory Bodies have a major role to play in overseeing the calculation of direct costs, taking into account best practises at the EU level, and the non-discriminative application of charges. ERFA also highlights the current legal challenges concerning lack of financial separation in the accounts of key EU Member States. How can there be effective transparency on how track access charges are used?

We know that implementation of key EU rules in the rail sector is slow, also in the area of track access charges (confirmed by EU Court of Auditors report). **ERFA calls for more action to implement EU rules that support a competitive rail's sector,** especially in view of the competition with road.

## “RAIL FREIGHT IS NOT ON THE RIGHT TRACK”: DEBATE IN THE EUROPEAN PARLIAMENT

[The European Court of Auditors \(ECA\)](#) presented to the European Parliament its report on rail freight's performance. MEPs welcomed the conclusions of the Court and called for an urgent rail freight strategy at EU level. For the Romanian MEP Marian-Jean MARINESCU, who is leading discussions in the European Parliament on this report, the poor rail freight situation is due to a **lack of supranational approach on the Rail freight corridors** and a **very limited liberalisation** of the market. The dominant position of “former state-owned rail companies” does not help to improve the performance of rail freight.

Therefore, MEPs welcome recommendations of the ECA and insist on:

- **A timely and proper enforcement of the existing legislation,** especially the Recast legislation;
- **Harmonising and strengthening the role of the RFC;**
- Evaluation of all investments made in transport to **better target key priority projects for international rail freight;**
- Alignment and coordination of European and National strategies for rail freight;

During the debate, some MEPs highlighted the fact that **performance goes hand in hand with the arrival of newcomers** in the market. Therefore, they insisted on the need to achieve the liberalisation of the rail sector.

## THE SLOVAKIAN PRESIDENCY OF THE COUNCIL OF THE EU: NO PRIORITY FOR RAIL

The Slovakian Minister for Transport, Roman BRECELY, presented the [Slovakian Presidency's](#) priorities for transport. He will clearly **focus his attention on the aviation and maritime sectors**. Although the rail sector is a priority, **ERFA will promote rail to the Presidency, but also continue to work closely with the former Dutch Presidency on the follow up of the Rotterdam "RFC declarations"**.

## CAN PRIVATE FINANCE BE THE SOLUTION FOR RAIL INFRASTRUCTURE?

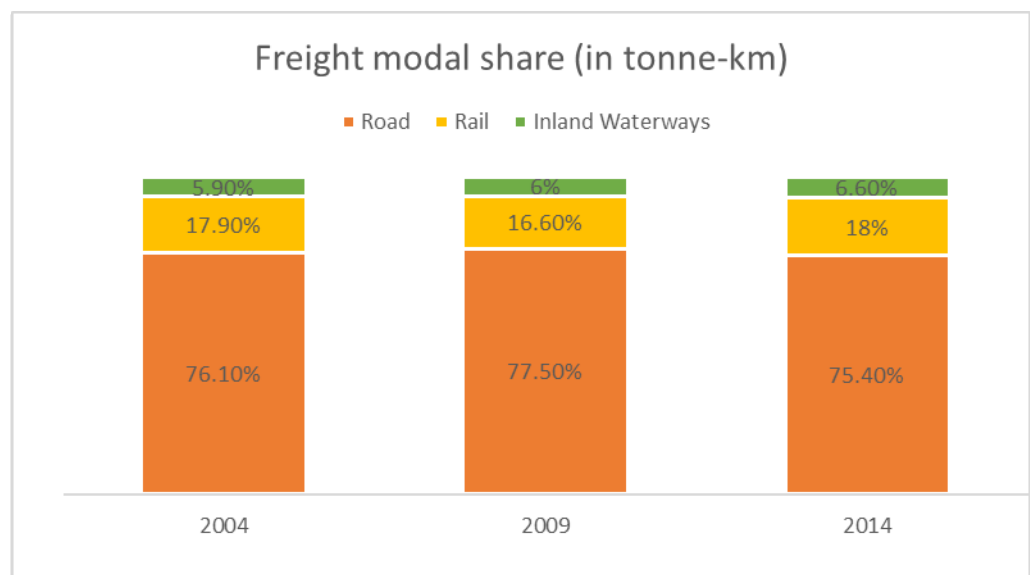
During a meeting between rail stakeholders and the European Investment Bank (EIB), ERFA discussed how the rail sector can benefit from the Juncker Plan (EFSI). So far, **EFSI has proved successful in securing private financing for road**. ERFA raised concerns regarding the **difficulty of attracting private investment** in view of the low margins private investors can expect to gain from rail infrastructure charges, and the competition problems with road that would arise if higher infrastructure charges were permitted. **ERFA continues to push for an increase to the EU's budget allocated to grants for sustainable transport infrastructure (CEF), as well as looking to promote the blending of EU grants with the guarantee of EFSI in order to make rail projects more bankable.**



## INFOGRAPHICS – MODAL SHIFT

The EC has published a Working Document on the implementation of the EU's transport policy objectives, as fixed by the major Transport White Paper 2011., While generally the legislative process is advanced, the implementation is not effective because of many obstacles from Member States.

One of the objectives set up in 2011 was a shift of "30% of road freight over 300 km [... to other modes such as rail or waterborne transport by 2030, and more than 50% by 2050, facilitated by efficient and green freight corridors". **The modal share has remained stable for 10 years**. The reason underlined by the EC is the lack of internalisation of the real costs of road, the lack of implementation of the current legislation on the Single railway area, the lack of investments in both new rail lines and the maintenance of existing lines, and the difficulty for rail to jump onto the digitalisation process.



(data from Eurostat 2015)