



European Rail Freight Association



4th Railway Package: A great opportunity for the European railway system

ERFA Comment & Position

13 April 2013

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What we stand for



ERFA's vision

- **Satisfied rail freight customers with lean, efficient cross-border traffic in a fully open, single European market**

ERFA's basic political requests

- **Fully independent Infrastructure Managers in all European countries.**
 - > **Best solution: structural separation between IM and RU**
 - > **Alternative: strong chinese walls within integrated railway companies in order to prevent abusive influence and cross-financing**
- **Cross border technical harmonisation (interoperability)**
- **Strong, independent and quick reacting Regulators in all European countries**

4th Railway package

Setting the course for more harmonization, higher competitiveness and better management of the rail sector

Infrastructure Governance

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- > A single European railway area**
- > Opening of the domestic passenger market transport**
- > Governance of the railway infrastructure**

Interoperability and Safety

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Regulations on the European Rail Agency

COM (2013) 30

Interoperability of the rail system within the European Union

COM (2013) 31

Railway safety



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4th Railway package



Infrastructure Governance

COM (2013) 29

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- > Governance of the railway infrastructure**

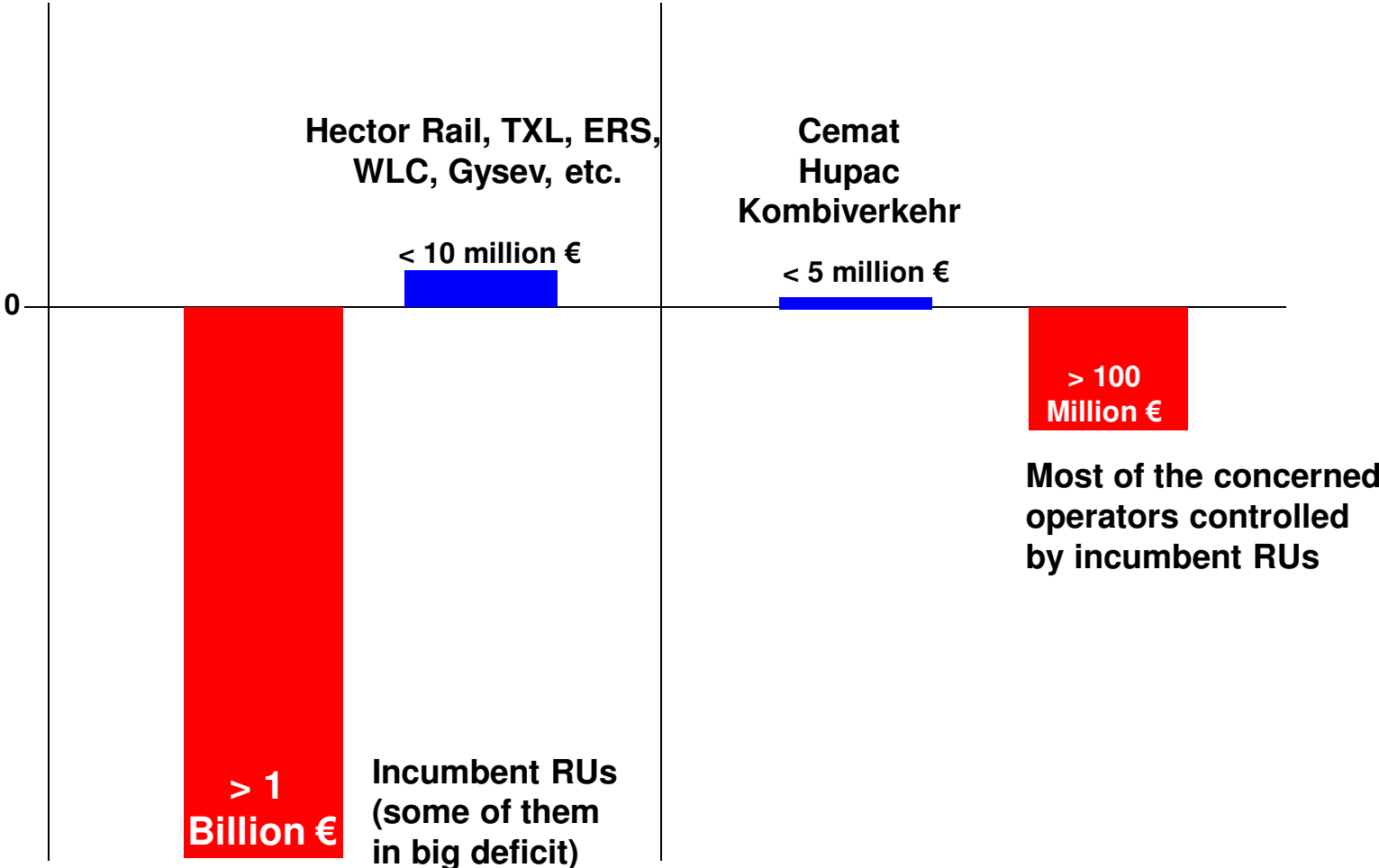
Today's railway system delivers losses, inefficiencies and unfair competition between State owned and privately owned companies



2010

Cargo railways

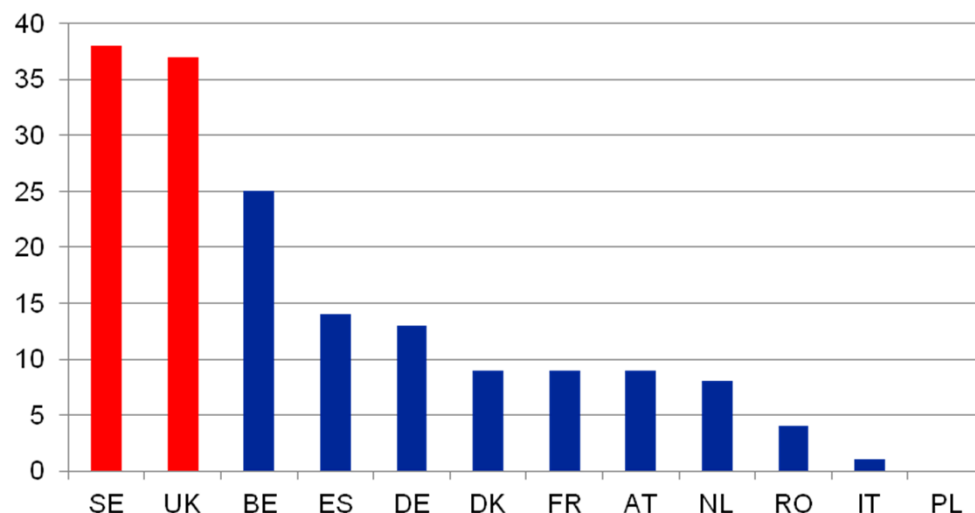
Intermodal operators



Open rail markets deliver growth!



Ranking of best evolving member states
(rail passenger)



■ Fully liberalised markets
■ Partially or non-liberalised markets

Weighted ranking considering evolution and progress of the following factors since the '90s:

- > Growth of modal split
- > Growth of customer satisfaction
- > Growth of availability
- > Growth of productivity of Rail services /Frequency
- > Growth of fares
- > Growth of pkm/train-km
- > Growth of employment
- > Growth of productivity of labour
- > Improvement of subsidy efficiency

Key figures 2000-2008

UK: rail in modal split + 42%

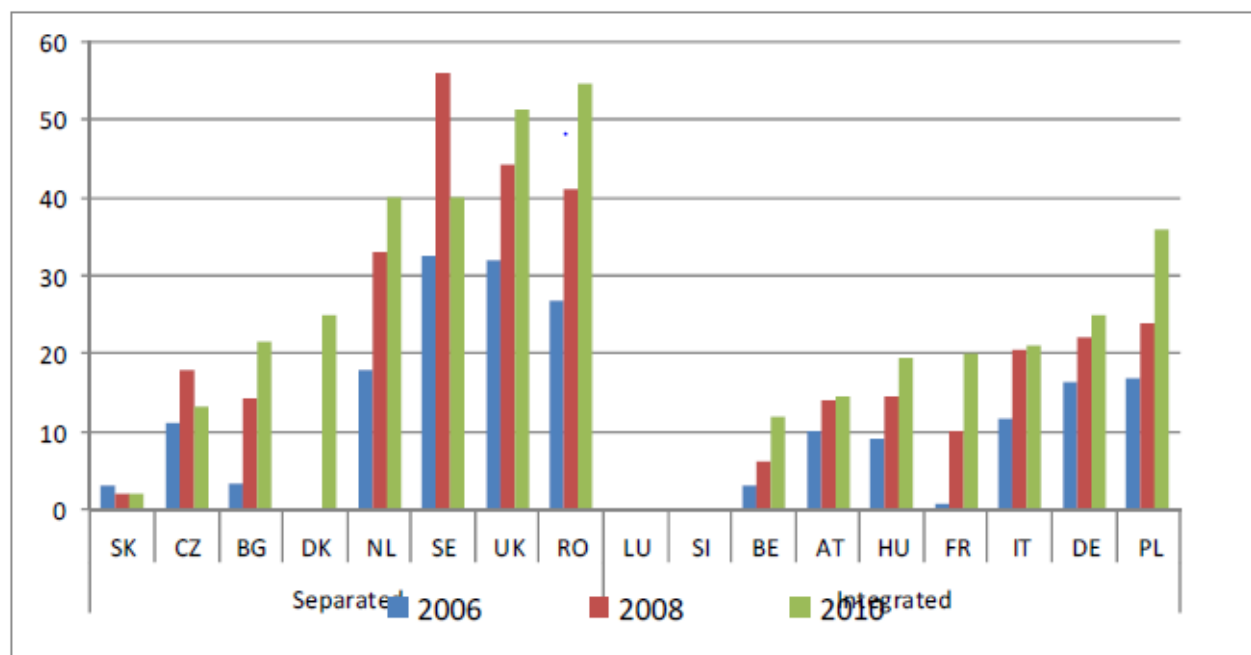
SE: rail in modal split + 25%

>> 20.000 new jobs

Rail freight benefits from open markets!



Figure 2 Market share of non-incumbent freight operators



Source: Rail Market Monitoring Scheme 2007, 2009 and 2012 and SDG report

Market share of non-incumbents:

+ 14% in Member States with separated structures

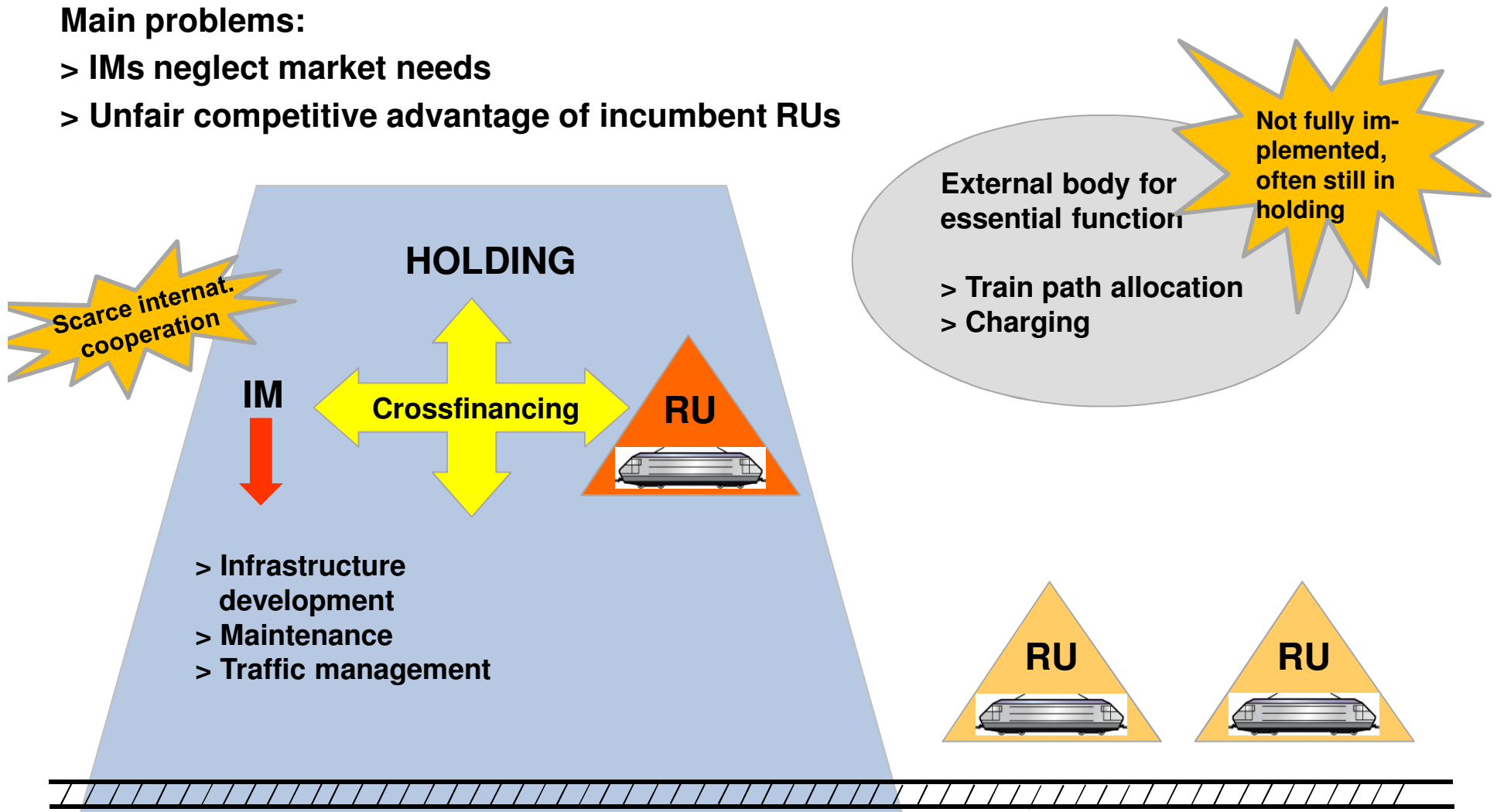
+ 9% in Member States with integrated structures

≥ 40% in NL, SE, UK and RO – all with separated structures

Infrastructure Governance today: Insufficient independence between infrastructure and traffic operation

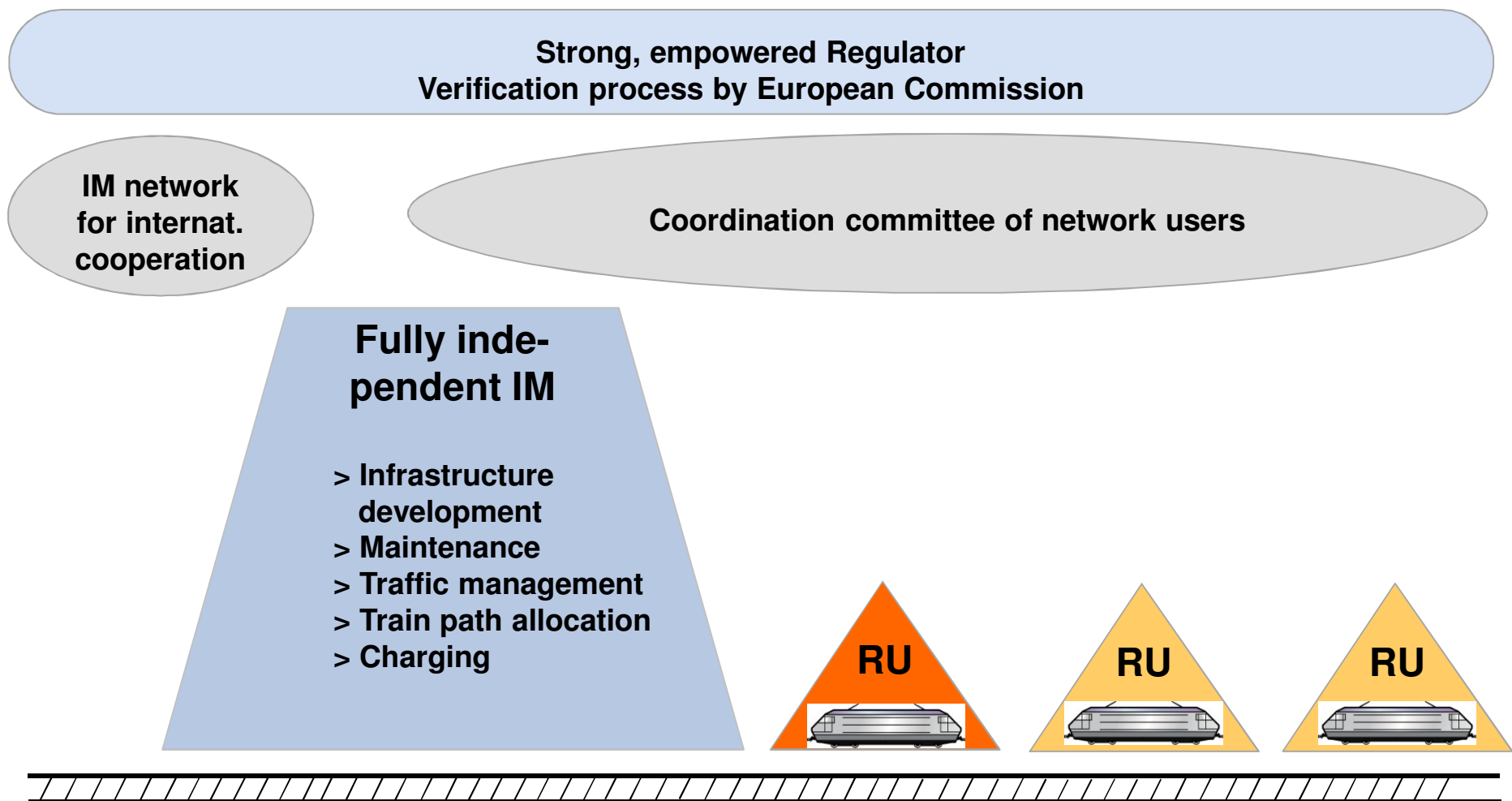
Main problems:

- > IMs neglect market needs
- > Unfair competitive advantage of incumbent RUs



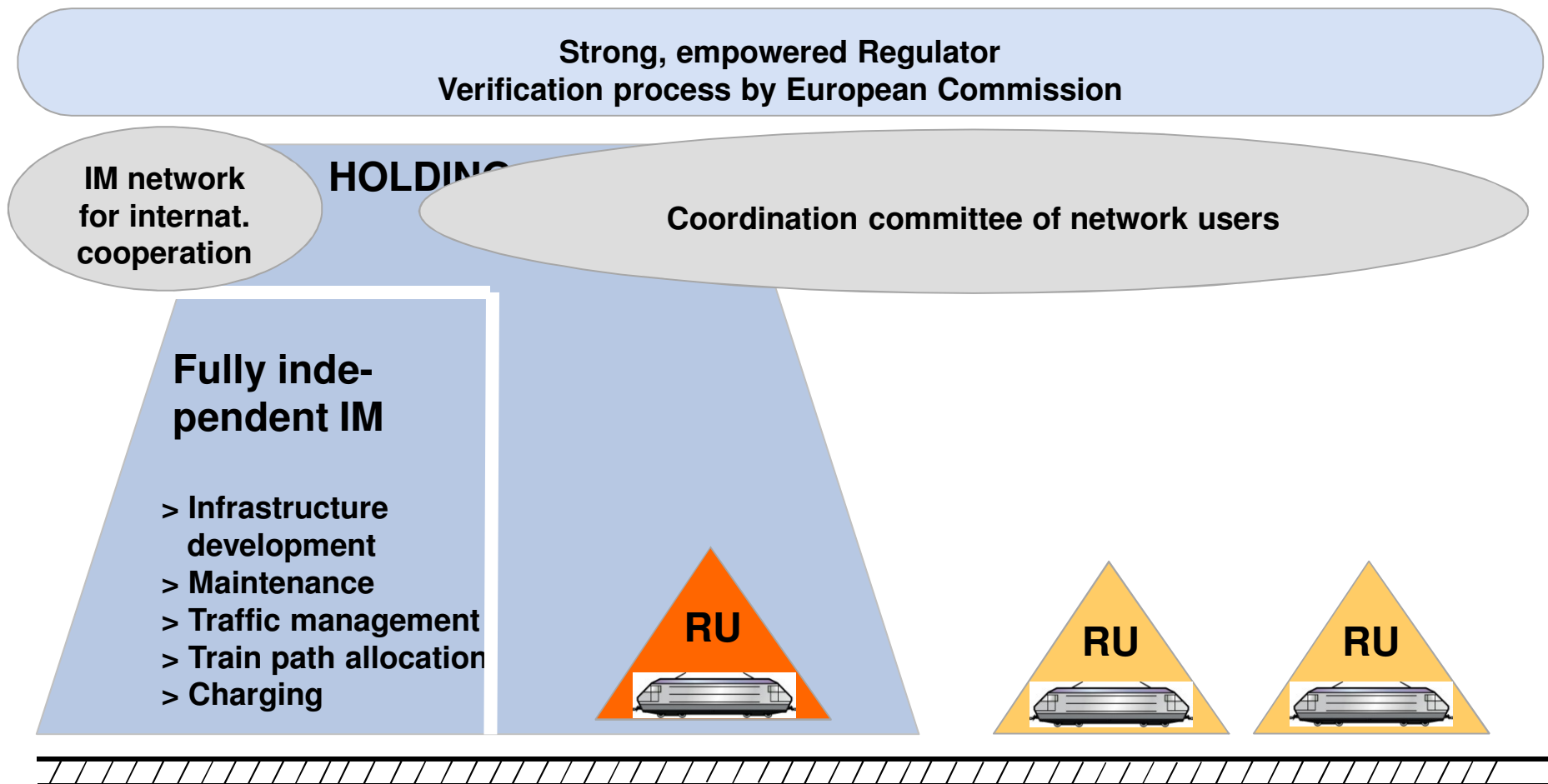
New proposal: Strong, market oriented, crossborder-acting, non-discriminative Infrastructure Managers

Solution A: Institutional separation of IM as simplest and most transparent way



New proposal: Strong, market oriented, crossborder-acting, non-discriminative Infrastructure Manager

Solution B: IM within a holding structure with strict measures („Chinese walls“) to ensure legal, financial and operational independence



ERFA's requests for Infrastructure Governance



→ Effectively guarantee independence of IMs

Art 1 amendment to 2012/34 Art 7 a, b and c; Recast

- > The Chinese walls are not to be diluted in any way
- > Empowerment of the Regulatory bodies and the Commission
- > Foresee right of complaint to Regulatory bodies, Commission and RUs
- > Effective intervention and penalties: non-complying RU's must be actively prevented from accessing other member state's infrastructure
- > Small integrated structures (eg. < 300 km(?)) to be exempted

→ Improve infrastructure management performance

- > Effective, target oriented activity of the foreseen "Market coordination committee" and "International IM cooperation network" based on KPIs and benchmarks

→ Speed up the process

Art 1 amendment to 2012/34 Art 63; Art 3, 2

- > Opening of passenger domestic market on Dec. 2017 instead of Dec. 2019
- > Implementation of all measures by Dec. 2020 instead of Dec. 2024

4th Railway package



Interoperability and Safety

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Interoperability of the rail system within the European Union

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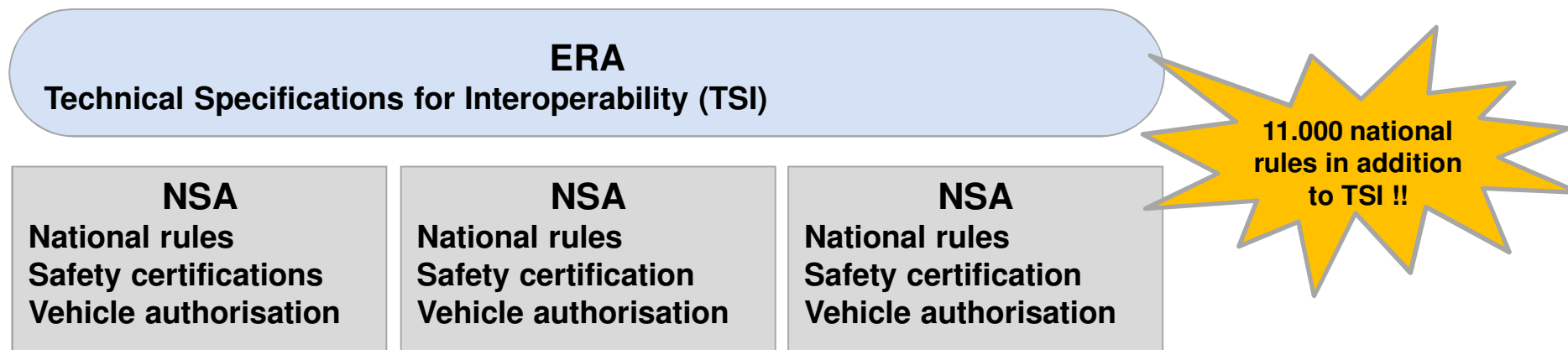
Railway safety

Interoperability saves money and improves competitiveness.



Investments in rail freight traffic		
Purchase of locomotives	300.000 €	3.5 Mio. €
Acquisition of multi-system locomotives	300.000 €	4-5 Mio. €
Delivery terms	6 months	12-24 months
Countries covered by request for homologation	27 countries	1 country
Costs for the 1st homologation	60,000 €	1-2 Mio. €
Time frame for the 1st homologation	< 6 months	> 18 months
Time frame for the 2nd homologation (cross acceptance)	0	< 18 months
Costs for on-board signalling system	0	0.5-1.5 Mio. €

Interoperability and safety today: Unefficient system in terms of cost, time and market access



Examples for procedural costs



Authorisation for 1-country-loco: 10% of purchase price



Authorisation for 3-country-loco: 30% of purchase price



Safety certificate for RUs: 2 man-years and up to 100.000 € per country

New proposal: Europe-wide approvals to save time and money

ERA

Issues Europe-wide safety certifications
Issues Europe-wide vehicle authorisations
Facilitates the deployment of ERTMS
Supervises national rules

NSA

Cooperates with ERA
Ensures respect of specific national requirements

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Aims

20% reduction of time-to-market for new RUs

20% reduction in cost and time of rolling stock authorisation

Savings of 500 million € in 5 years

ERFA's requests for Interoperability and Safety



→ Give full competencies to ERA

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- > ERFA supports the enhanced role of ERA for Europe-wide vehicle authorisation and safety certifications
- > ERA must be properly staffed in order to fulfil the new requirements
- > The roles of ERA and NSAs as well as their interface must be clear and effective
- > Stringent time schedule for implementation

→ Manage safety as overall European responsibility

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- > Establish clear responsibilities along the whole rail freight transport chain
- > Prevent national safety rules in favour of European rules

→ Simplify rules and procedures

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- > ERFA welcomes the European vehicle register and the coordination of infrastructure registers
- > ERFA requests further simplification of the authorisation process: it should be followed by the manufactures and not by the RUs or holders



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Thank you for your attention.