



**11th Annual Event / Seminar - debate
16th May 2013**

Cercle Royal Gaulois, Rue de la Loi, 5, B-1000 Brussels

**“Believe in Europe & speed up the processes
for the rail market full opening!”**

**Keynote speech of Mr. Siim Kallas,
Vice-President of the European Commission
responsible for transport**

Dear President, dear Secretary General,

Ladies and Gentlemen,

“Believe in Europe and speed up full market opening in rail” – I could not agree more with the chosen theme! It is really my pleasure to attend the 11th Annual Event of the European Rail Freight Association.

We share the same ambition for European railways. It has been set out in the White Paper on Transport Policy two years ago: rail can play a significant role in an integrated European transport system to reach our ambitious target of reducing CO2 emissions by 60% by 2050. If we want to be serious about it – and I am serious about it – the rail sector needs to continue and accelerate the reform process.

Rail transport services need to be customer-driven. This is the key for success in freight but also in passenger transport. Better offer, better quality and a greater reliability of services are determinant to attract more customers, to convince people and companies to use rail

The diagnosis has been confirmed by our recent impact assessments and various surveys, Eurobarometers and stakeholders consultations and seems to be accepted by



most actors of the rail sector, but when it comes to taking the necessary steps forward, we face all possible conservatism, national specificities or vested interests. In this context, ERFA's message based on the return on experience of your Members is very important.

How to proceed to reform railways? There is no miracle solution, no single model but the necessary combination of three tools: better planning of investment in infrastructure, more innovation in technologies and services and more market pressure on operators. We are addressing all these issues in a coherent rail transport policy. It also implies removing technical and regulatory barriers to competition and taking most profit of the EU single market. This project has a name: the completion of the Single European Railway Area; and this is the sense of the 4th railway package proposed by the Commission end January this year.

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I would like to emphasize that rail freight is at the heart of the Commission rail policy. The liberalisation engaged 6 years ago is often criticised and used as a justification to oppose further market opening. It is true that rail freight modal share has fallen from 11.5% in 2000 to 10.2% today. Difficulties are persisting undermining rail freight performance in several Member States – the serious economic downturn is also an important constraint. I nevertheless believe that our policy starts delivering results: in various Member States, liberalisation has led to growth in rail freight – particularly in the UK or Germany. In France, new entrants now represent about 30% and traffic volumes start growing again after many years of decline.

ERFA's voice is therefore needed in the current debate: Do we need more or less competition? For rail freight to really take up we rather need to address the remaining obstacles and improve the competitive environment.

Some observers tend to consider that the 4th railway package is only about bringing competition to domestic passenger markets. Tonight, I would like to stress that it is a



proposal for rail freight as well. It provides with effective solutions for rail freight operators. Giving the European Railway Agency greater responsibility to ensure interoperability of rolling stock and other equipment will ease operations of freight forwarders over the EU territory.

Moreover, the governance proposal equally concerns freight transport. The Commission proposal aims at providing infrastructure managers with full control and responsibility for all functions needed to manage the network. Infrastructure managers must be independent from railway operators in order to guarantee fair and non-discriminatory access to the network. Finally, it also includes the requirement for infrastructure managers to cooperate and set up formal consultation arrangements with you, their customers.

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Rail freight liberalisation is often accused to be at the expense of safety. Safety is for the Commission an absolute necessity. There is no doubt we will continue to require and further develop high level safety standards. Last week dramatic accident of Wetteren shows that we need to remain vigilant. My first thoughts go to the victims and their families. The Commission and the European Railway Agency closely follow the investigation of the Belgian investigation body. But it would be unfair to blame rail liberalisation, especially as rail remains the safest transport mode.

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We have now – in front of us – two new and concrete opportunities to show that rail freight can deliver.

First, we are coming closer the operational launch of rail freight corridors. 6 corridors will become operational in November 2013 ensuring an efficient collaboration between all rail actors involved in freight business on crucial routes. I would like to thank ERFA for its effective cooperation in this process. The rail freight corridors will help respond to your



clients' needs. They will further improve the quality of services, increase their competitiveness and thereby revitalise rail.

Second, the Shift2Rail initiative is an excellent opportunity to develop innovative solutions for a seamless attractive railway transport system. Work is continuing on a joint industry-Commission research platform, which will be a key element in driving innovation in the years to come. I would invite you to fully take part to this process and show that rail can be an innovative industry.

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There is still a long way towards a Single European Railway Area. If we don't make the necessary remaining steps rapidly, there is a risk we miss the chance to give railway a central role in the future transport system.

Co-legislators are only starting to debate our proposals and I can already see the temptation to delay or postpone ambitious decisions. Our proposals are coherent and closely inter-related in a package. ERFA needs to be vocal and fully take part to this debate.

Freight customers want the better quality and competitive prices which competition brings. Freight operators are best placed to illustrate the obstacles and barriers you are still facing on the markets. They are best placed to report on their experience of missed business opportunities or practices preventing rail to grow.

If we want traffic growth, more employment opportunities and better conditions, we need to make rail more attractive. This is a big challenge ahead of us that will benefit not only freight businesses but their customers, our industry – our economy.

Thank you for your attention.