



European Rail Freight Association



Funding the Trans-European Network for Transport The ERFA position (vers.2)

*Symposium co-chaired by MEPs B.Simpson & D.Riquet
RAYLWAYS in EUROPE – General mobilisation*

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OUR FOCUS: SATISFY THE CUSTOMERS

- **Since 10 years, we are the pioneers !**
- **Our credo: Satisfied customers with a lean, seamless, efficient cross-border rail freight traffic in a fully open single market**
- **Final, industrial clients and freight forwarders are expecting a competitive rail service**
- **Customer's criteria to select a railway undertaking: 1/ Reliability 2/ Price 3/ Capacity & Frequency 4/ Information management 5/ Transport and handling times > all linked with TEN-T financing's choices**
- **In fact we are face to main problems of cost increases (drivers / locos and wagons / access charges / energy / ERTMS / TAF-TSI / Noise...) and of to slow improvements. In addition, the customers don't want to cover these extra-costs > the EU money is really welcomed!**



MORE WHAT than how TO FINANCE

- **ERFA welcomes the CEF (Connecting Europe Facility) proposals allowing combination of grants with other financial instruments to better cover the costs**
- **When comparing the former TEN-T program (2007-13) to the CEF projects (see table after), some new topics of ERFA' s interest appear:**
 - **Inland transport connections to ports**
 - **Development of multi-modal platforms**
 - **Reduce rail freight noise by retrofitting of existing rolling stock**
 - **Freight transport services (> SWL traffic?)**
 - **ERTMS**
- **We have therefore some reasons of satisfaction**
- **And what about the ERFA's priorities on what to finance?**



MORE WHAT than how TO FINANCE : CEF FUNDING RATES

Types of Projects		All Member States	COMMENTS ERFA
Studies (all)		50%	✓ unchanged
Works on			
Rail	Cross border	40%	✓ previously 30%
	Bottleneck	30%	✓ previously 0%
	Other projects of common interest	20%	
	Inland transport connections to ports and airports (rail and road)	20%	
	Development of multi-modal platforms	20%	! Insufficient
	Reduce rail freight noise by retrofitting of existing rolling stock	20%	! Insufficient
Freight transport services	20%		
ERTMS (rail)		50%	! need to finance on-board equipment



WHAT TO FINANCE: The ERFA's PRIORITIES

- **Infrastructures (collection and distribution of freight) in the comprehensive rail network to feed the core network**
- **Need to improve, modernize “rail related services” facilities**
- **Need to fund the rolling stock: Noise, ERTMS, TAF TSI, ...**
- **Foresee full electrification and minimum train length of 750m (> 1000m)**
- **But how much will be available and when? The TEN-T guidelines registered 764 amendments from MEPs. Positive proposals were also issued from TRAN Committee co-rapporteurs:**
 - Detailed 'Socio-economic cost-benefit analysis'
 - Detailed 'Climate Impact Assessment'
 - Increased funding rates (40%) for actions enhancing rail interoperability



HOW TO RATIONALISE SPENDING? (1)

- **With so much amendments, the new TEN-T will not be approved before 2 years > in 5 years by MS! In a period of scarcity of public & private funding, it's also difficult to foresee the available amounts on due time > We need as from now to rationalize the spending!**
- **How? By rationalizing:**
 - The patchwork of national regulatory regimes and rules causes extra costs in many fields: Infra management, safety certification, vehicle authorization, signaling (ERTMS), etc...
 - The international **coordination of infrastructure managers:**
 - with all customer RUs
 - among IMs themselves
 - The alignment of core network corridors with **rail freight corridors**+ ensure **active presence of new entrant** RUs in advisory groups



HOW TO RATIONALISE SPENDING? (2)

- Focus on and strengthen article 13 of TEN-T Guidelines to ensure **non-discriminatory access to all rail facilities** (terminals, marshaling yards, transshipments...)
- **In this context of needed rationalizations of spending, ERFA also came to the conclusion that separation of IM with extension of essential functions stays the simplest way to optimize the use of rail infrastructure by new entrants.**
- **Finally, ERFA is also in favour to prevent EU funding if:**
 - Insufficient implementation of EU regulation on non-discriminatory basis
 - No transparency of costs → Mc Nulty report pointed it!
 - No institutionalised communication with the clients
 - No fulfilment of performance targets
 - Repeated lack of fund's absorption