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### **French reform of the railways : ERFA applauds Prime Minister Edouard Philippe's statements, based on the Spinetta Report**

ERFA, representing newcomers on the European rail freight market, welcomes the Spinetta report's general orientation: **the French railways needs more competition!**

ERFA salutes Prime Minister's lucidity by these last statements based on the Spinetta Report:

**"The situation is alarming or even untenable.** (...) SNCF has to present "before summer" and after consultation, "a strategic corporate project" guaranteeing **"a better quality of service for all the transport users"** and a **"more efficient management"**, while being containing a new social contract with the railway staff members who must benefit, according to him, from the same working conditions as all the French, ie those of the Labor Code.

ERFA is delighted that the Prime Minister has distanced himself from the report which sought to facilitate the closure of small, uncrowded lines. On the contrary, he recommends that the **SNCF align its costs with European standards, when "to drive by train in France costs 30% more than elsewhere"**.

ERFA in particular draws attention to the Spinetta report's recognition that rail competition is only beneficial if the road is not in a more favourable situation. In view of the absence of distance-based charging for heavy goods vehicles at a level sufficient, the report recommends **that freight charges should be kept below the marginal cost**, adjusted to the undercharging of the other transport modes, as allowed today by European legislation. ERFA applauds this!

In view of the forthcoming reform, ERFA pleads that the following needs of new entrants be prioritized:

- 1. The writing-off of SNCF Réseau's debt by the State**, which will allow the reduction of access charges and the rate of return needed to justify new investments;
- 2. The abolition of the status of SNCF agents for all the new staff**, taking care to prevent social dialogue from involving new constraints that are detrimental to competitiveness in the new collective agreement;
- 3. A higher priority given to freight in the allocation of train paths**, and a greater transparency in this respect, including in situations of saturation, near saturation and incident;
- 4. Confirmation of attachment to the secondary network** and alignment of SNCF Réseau's costs with European standards, as recommended by the Prime Minister Edouard Philippe;
- 5. In general, a greater consideration of European experience and perspective and successes of new entrants.** All freight operators that are profitable today - which are not mentioned in the report - such as Europorte, SBBCI, BLSC, Lineas, CFL, Railtraxx, LTE, Hector Rail, GBRF have restructured to achieve profitability and have set up a management dynamic oriented primarily towards customer satisfaction. This is proof that, if adequate measures are taken, there is a future for rail freight in France and everywhere in Europe.

**ERFA concludes:**

## PRESS RELEASE



The Spinetta report provides hope that France will start moving on the right trajectory towards a policy of supporting modal shift to rail with measures enhancing a healthy competition.

The French Government's orientations, warmly applauded, are expected in their concrete and urgent implementation.

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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 2017, ERFA represents 32 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.