



## Open letter to members of the Transport Council

28<sup>th</sup> November 2014

### **4th Railway Package – If you want growth, innovation and private investment in the rail sector, keep the package together to create a thriving single market.**

As the representatives of companies and associations with an interest in the rail sector, we support the European Commission's Fourth Railway Package (4th RP) in bringing much-needed competition, investment and growth into the rail sector, to the benefit of passengers, customers and the wider EU sustainable transport goals.

**The 4<sup>th</sup> RP is an opportunity to establish the right framework conditions for competition and entrepreneurialism**, essential for the efficient provision of goods and services.

In the face of rail's continued stagnation and even decline in some parts of the EU and in some types of services, , and the continuing reduction in choice for freight customers, we urge EU Transport Ministers to push forward with the political pillar of the 4<sup>th</sup> RP.

To abandon or neutralise this political pillar would be a missed opportunity to tackle:

- The potential misuse of public money, diverted away from much needed infrastructure investment to support monopolistic incumbents
- The set-up of passenger-friendly common ticketing platforms so that passengers can buy rail regardless of who is operating the train.
- Inefficiencies in the management of the tracks including unfair capacity allocation, which undermine the provision of quality rail services and the ability of new entrants to survive.
- The waste of unused rolling stock, paid for with taxpayers' money, which could be made available for new services and operators.

Most of all it would be a missed opportunity to create a level playing field in the rail market. Fair competition above the tracks, including the involvement of new entrants and private sector operators, is essential if there is to be innovation and growth.

There are many key issues in both the political and the technical proposals, including:

- the extent of separation between infrastructure manager and railway undertakings and Chinese walls between them to ensure no unfair financial flows and prevent illegal cross-subsidisation ;
- the requirements for competition in passenger services;
- the greater responsibilities of the European Rail Agency
- the need for greater co-ordination and co-operation between European infrastructure managers.

**All these issues are interrelated and do need to remain in one package if the maximum benefit is to be derived from them;** new entrants must be enabled and encouraged if they are to bring benefit to the sector.

We all want to see the rail sector develop. This requires investment and, given the pressure on state funding, it is important to encourage private sector investment to enable the railways to grow, to provide a better service, meet the needs of the customer and keep costs and charges to the taxpayer and customer as low as possible.

The 4th RP will go a long way towards creating a single market in the rail sector. Rail must be able to live up to the many expectations of decision-makers, other transport modes and customers, and must be able to fulfil an important role in a resource-efficient, sustainable EU transport network.

**We do urge you to proceed with the 4RP as a whole and retain the principles that allow a thriving competitive rail market to develop for the benefit of passengers and freight.**



Nicolette van der Jagt  
CLECAT Director-General



Denis Choumert  
ESC President



A handwritten signature in blue ink that reads 'Lamb'.

Julia Lamb  
ERFA Secretary General



A handwritten signature in black ink that reads 'E. Recker'.

Engelbert Recker  
mofair e.V. Hauptgeschäftsführer



A handwritten signature in black ink that reads 'Josef Schneider'.

Josef Schneider  
European Passengers' Federation  
Member of the Administrative Council, Secretary



A handwritten signature in blue ink that reads 'R. Schultze'.

Ralph-Charley Schultze  
UIRR Director General

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