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# Providing frameworks for a seamless transport from Far East to Central and Eastern Europe

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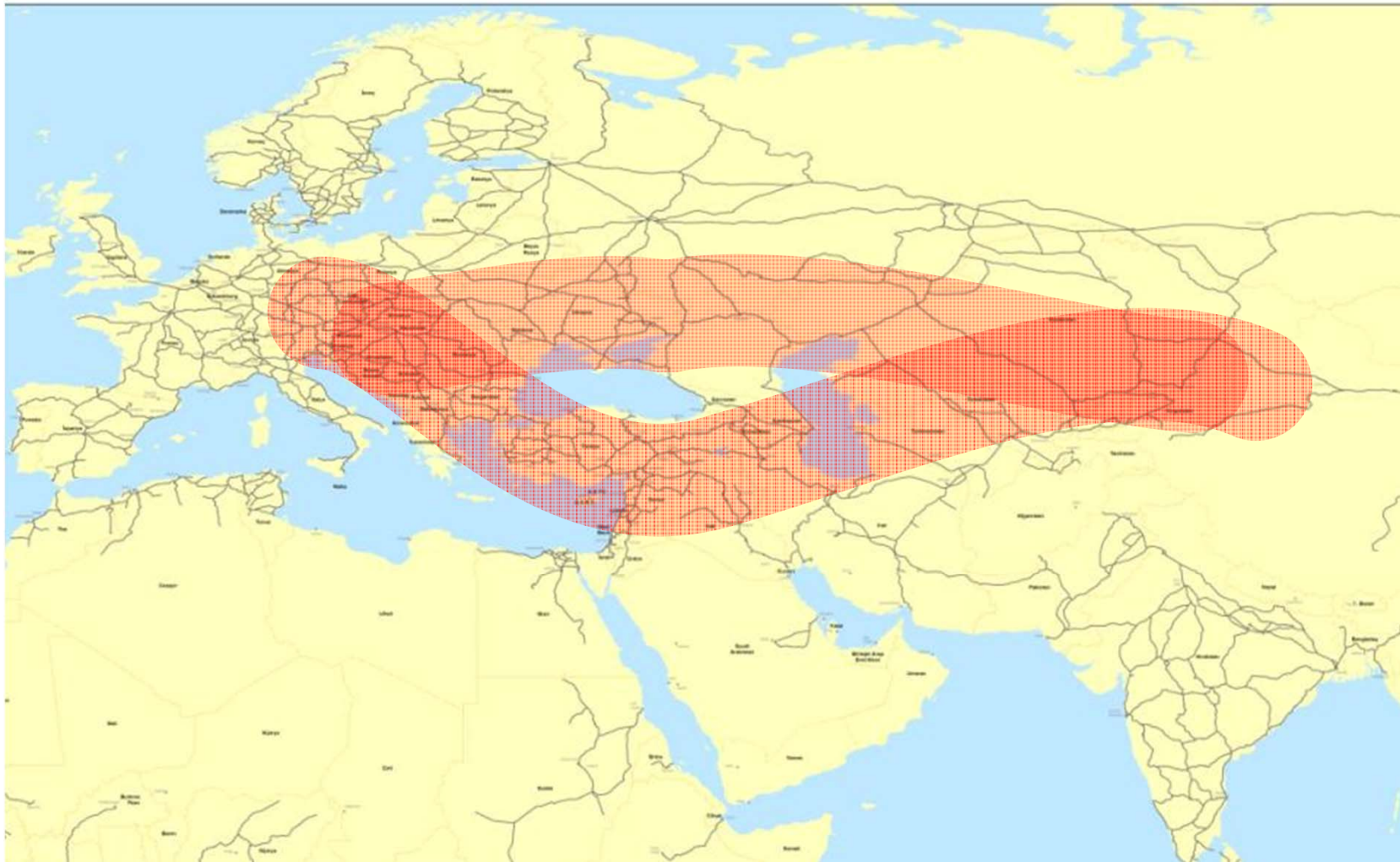
*Legal Affairs, CER*



# 75 billion USD Transport Potential Between Europe and Asia: *How can Rail Attract Them?*



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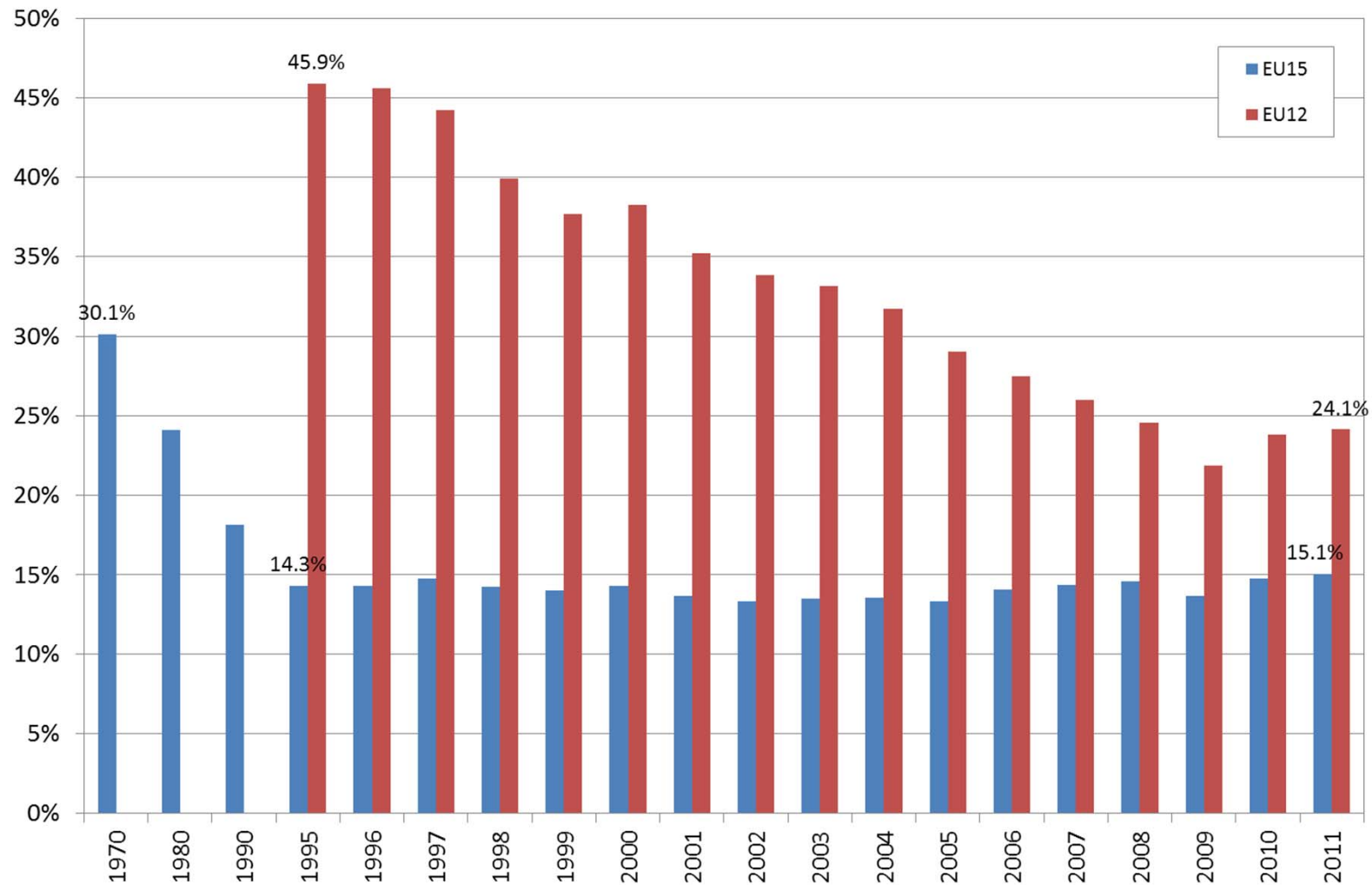
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# Markets Performances

# Rail freight modal share development: EU12 vs EU15



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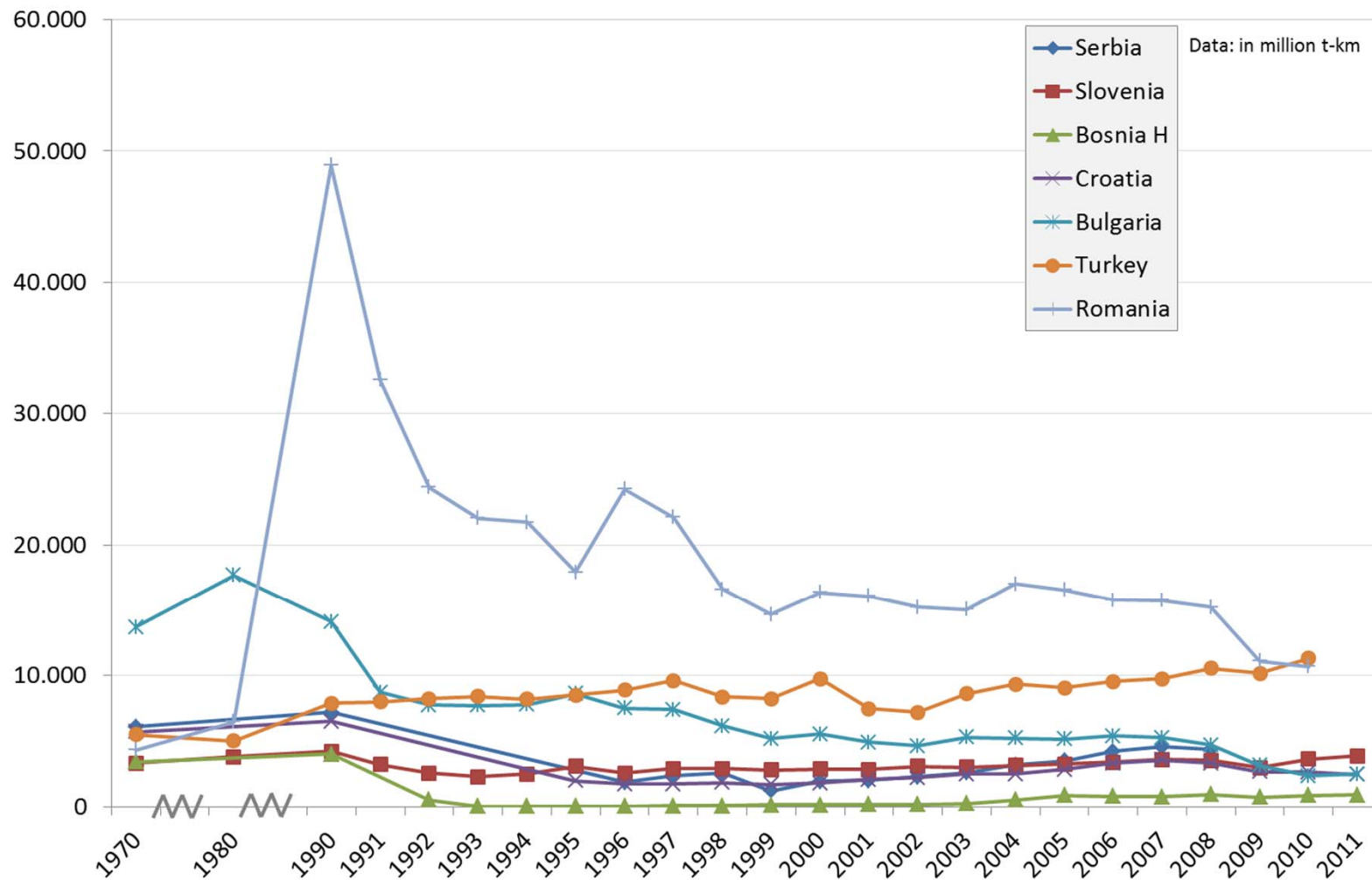


Source: ETIF 2013

# Rail freight market development in South East Europe



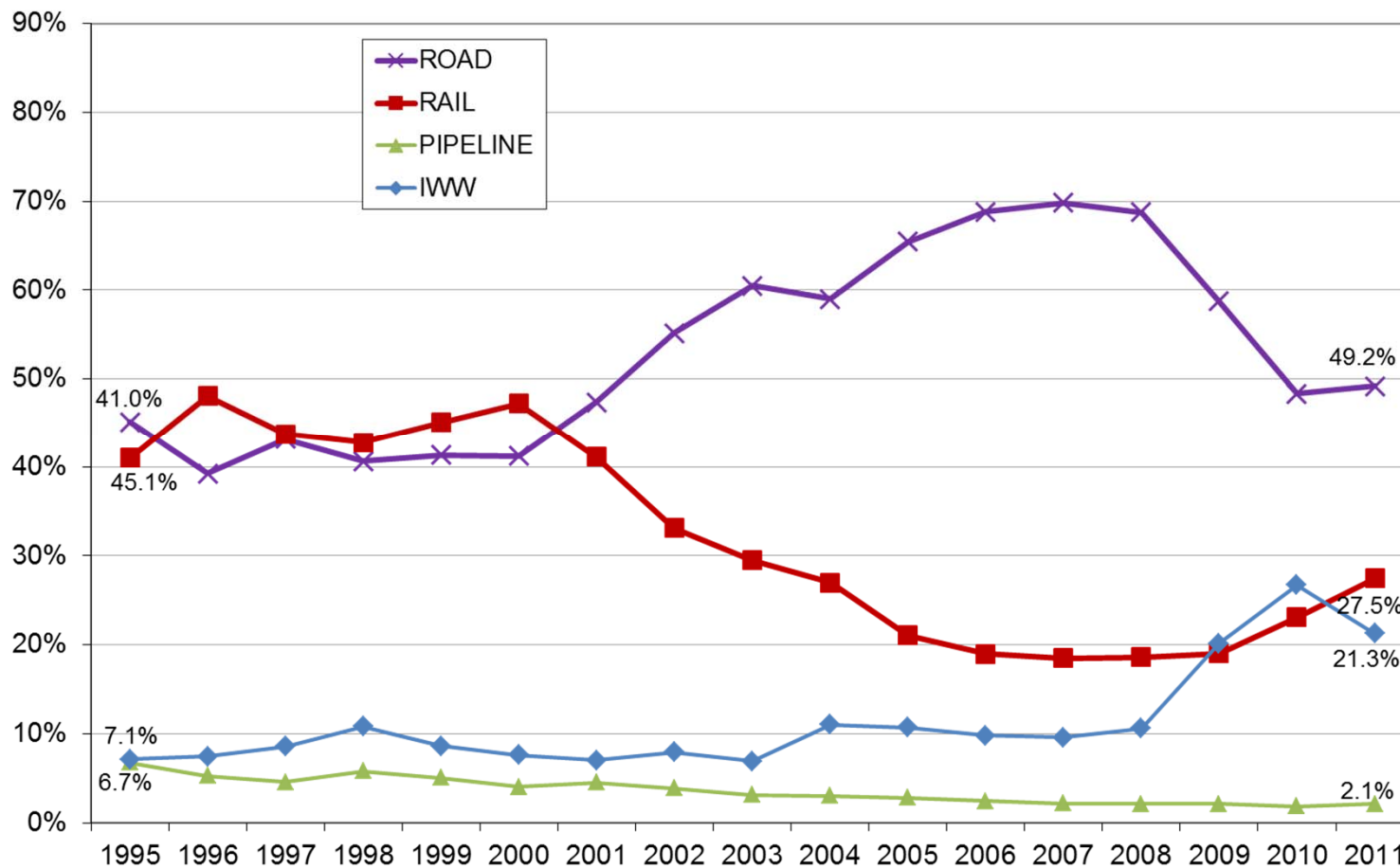
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# ROMANIA: rail freight modal share - rising again!



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Source: ETIF 2013

Source: ETIF 2013



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# Intramodal Competition on the Rise

## After 10 years of EU policy: *a mixed picture*



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After a decade of EU policy:

- There is a **significant progress of intramodal competition**
  - mkt share new entrants 2006: 14%
  - mkt share new entrants 2008: 19%
  - **mkt share new entrants 2010: 25%**
  
- but the **modal share** of rail in land transport **dropped by 2.3 points**
  - **From 18.5% in 2000 down to 16.2% in 2010**

### Conclusion

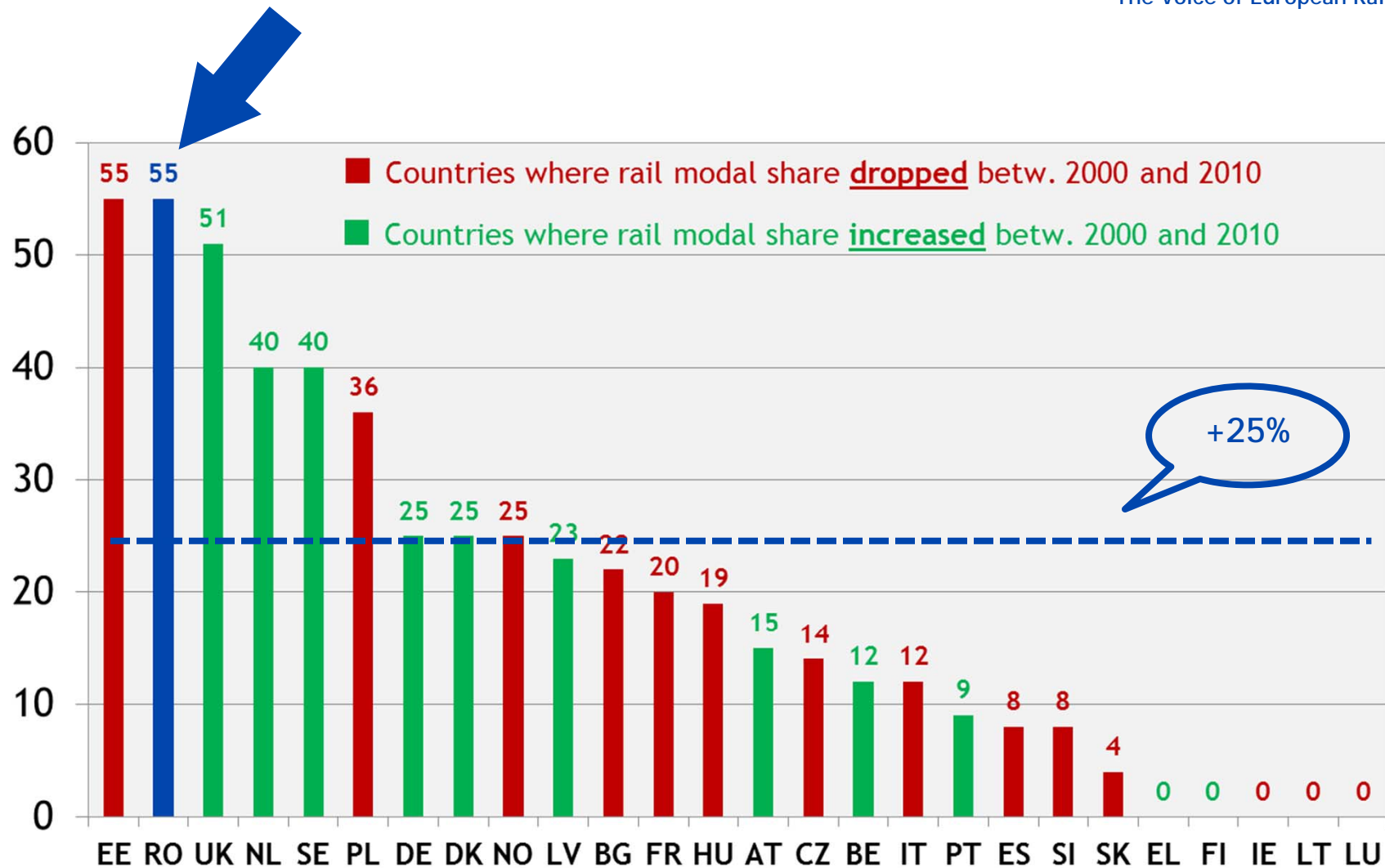
- Structural changes alone are not sufficient to revitalise rail freight.
- Other framework conditions need to be established in parallel.



# The Market Share of New Entrants in Rail Freight Raised to 25% in 2010...



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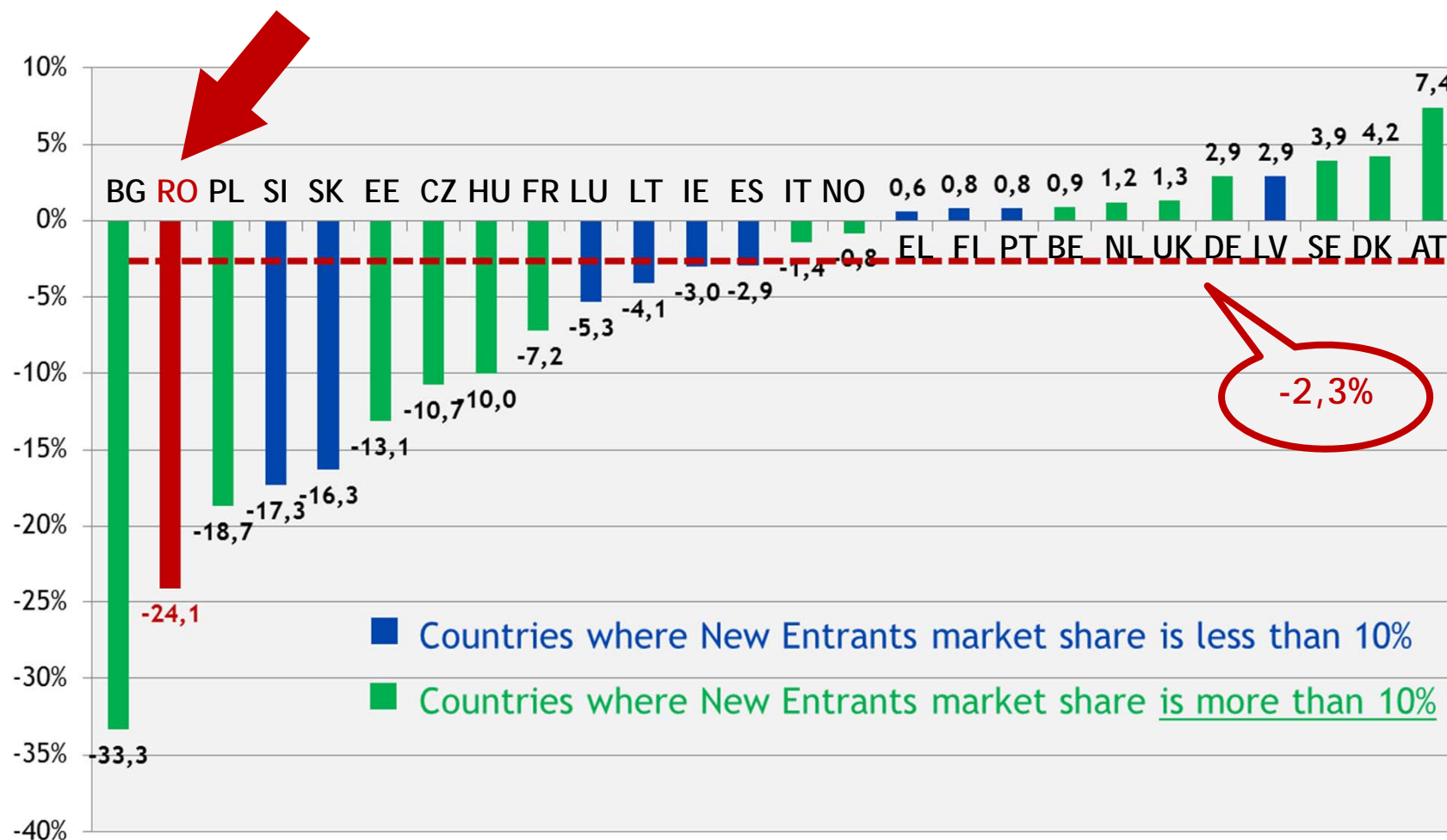


Source: Chart based on European Commission's RMMS Data (Sept. 2012)

# ... But Total Rail Modal Share Dropped by 2.3% Between 2000 and 2010.



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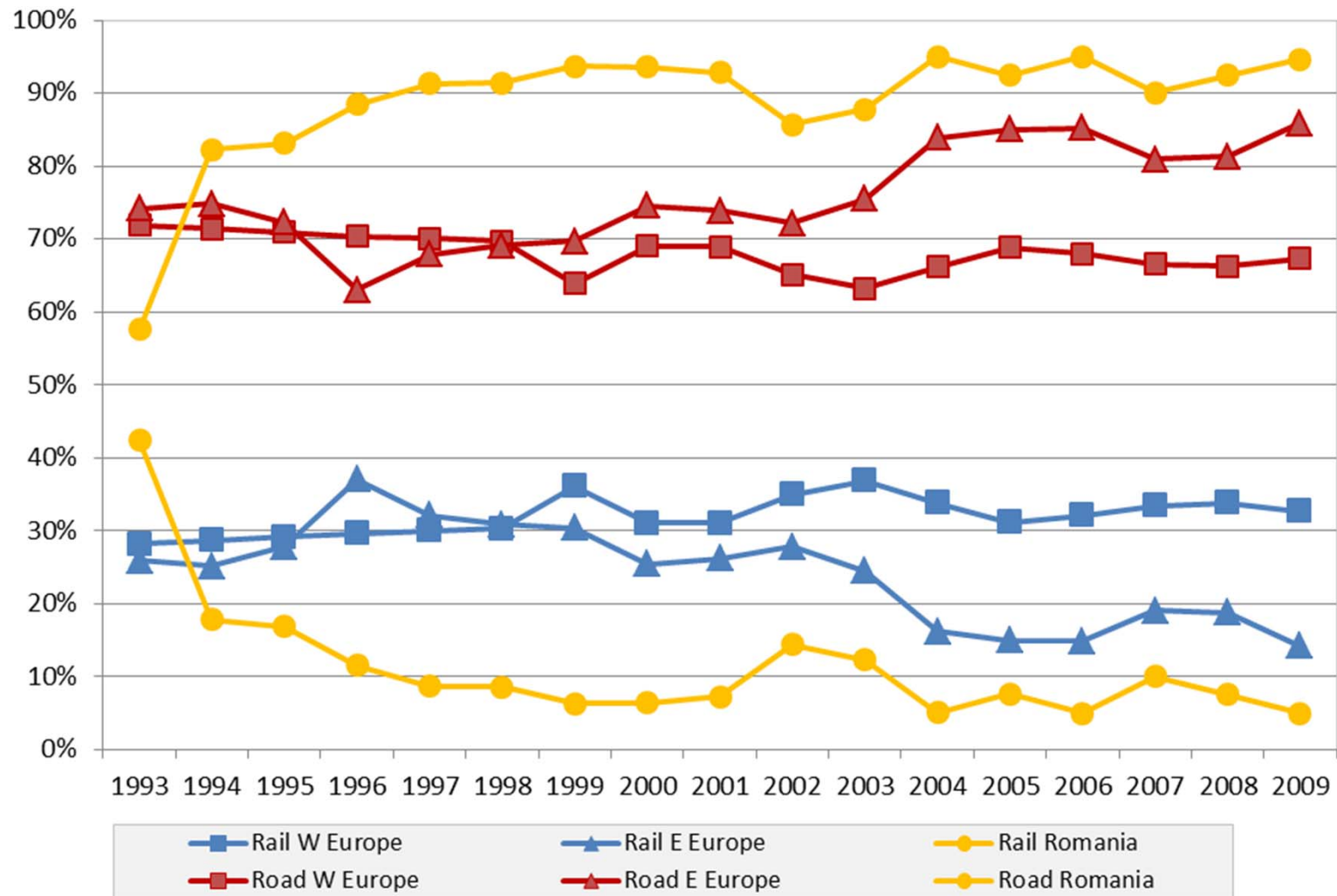
Source: Chart based on European Commission's RMMS Data (Sept. 2012)

# First & Foremost Investments in Infrastructure

# Rail-Road Modal Share of Transport Infrastructure Investment (in %) in Western and Eastern Europe



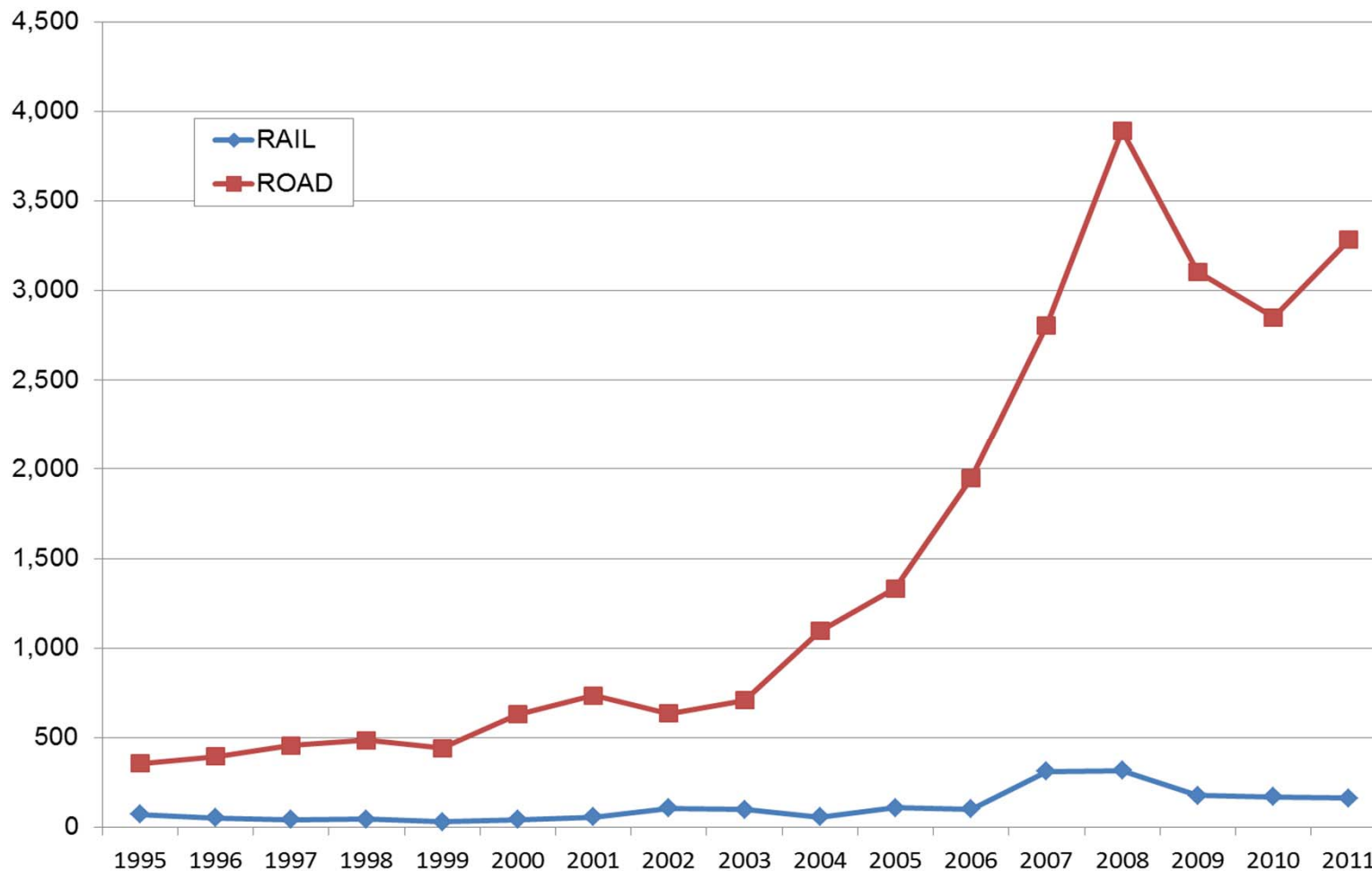
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# ROMANIA: Rail & Road Infra Investments (Excluding Maintenance) (euro MI)



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Source: ITF 2013

# Recent Legislation: TEN-T & CEF

# Core and Comprehensive Network



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Compr.	Core	
—	—	Conventional rail / Completed
- - -	- - -	Conventional rail / To be upgraded
· · ·	· · ·	Conventional rail / Planned

Source: <http://ec.europa.eu/transport/themes/infrastructure/doc/ten-t-country-fiches/ten-t-corridor-map-2013.pdf>

## Technical standards on the Comprehensive Network:

- Compliant with **INF TSI** (Technical Specifications for interoperability - subsystem 'infrastructure')
- **Full electrification**
- **ERTMS**

## Technical standards on the Core Network:

- Same standards as comprehensive network plus:
  - **22.5t** axle load, 100km/h line speed, **740m** freight train length;
  - Nominal track gauge of **1435mm**;
  - **Isolated networks** excluded from the above requirements;
  - Additional exemptions possible **in duly justified cases**.



## Core Network

Member States 'shall take the appropriate measures' to complete the core network by 31 December 2030

## Comprehensive Network

Member States 'shall make all possible efforts' to complete the comprehensive network by 2050

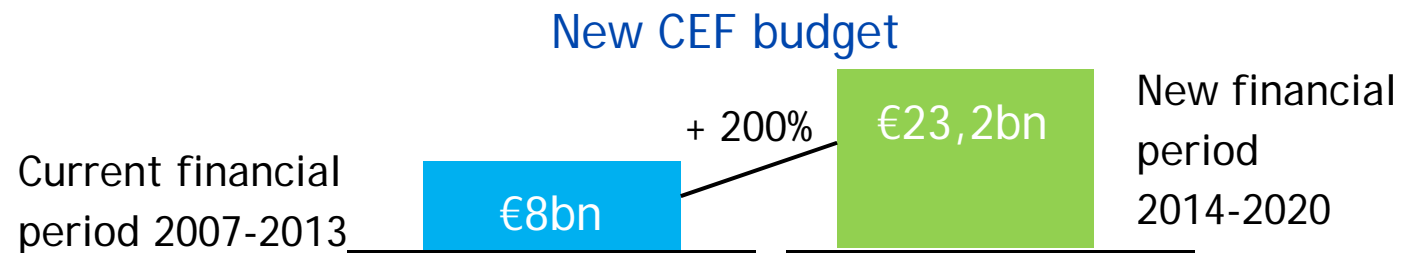
- Council introduced more flexibility depending on the financial situation of each Member State

# Comparison of the Current TEN-T Financial Regulation & the New CEF



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New CEF co-funding rates	old TEN-T (EC No. 680/2007)	new CEF (from 2014)
■ For individual studies (all modes)	50%	50%
■ For rail/inland waterways (work)	20%	20%
■ For road with no rail network/bordercrossing	--	20%/10%
■ For bottlenecks (work) (new)	--	30% (rail/inland waterw.)
■ For cross-border projects (work)	30%	40% (rail/inland waterw.)
■ For reducing rail freight noise including by retrofitting of existing rolling stock (new) and inland transport connections to ports and airports (new)	--	20% (all modes)
■ For ITS projects such as ERTMS, both for track-side and for on-board	50%	50% (all modes)
■ Accessibility for disabled persons (PRM) (new)	--	30%

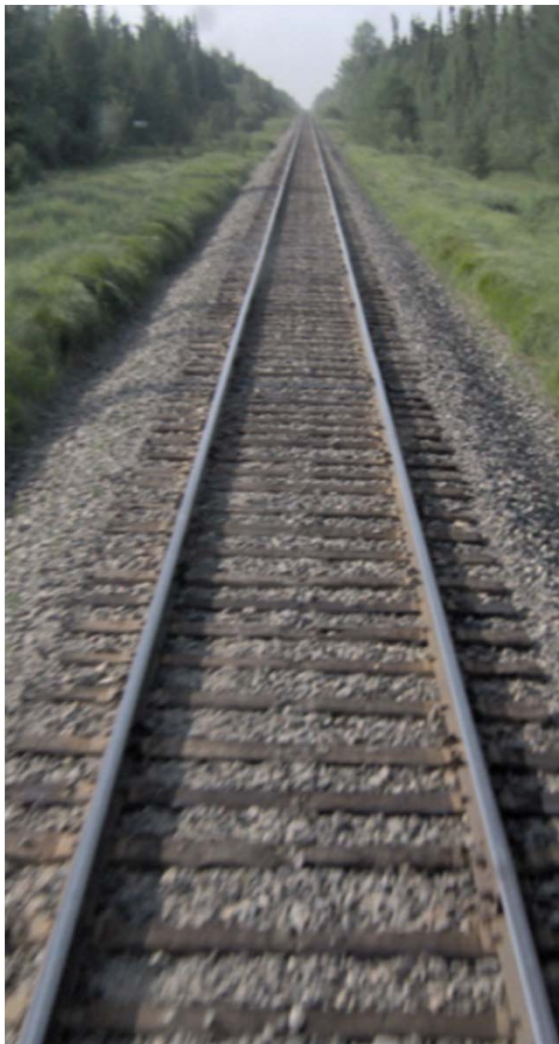


# The Intermodal Level Playing Field

# Intermodal Level Playing Field? Cross-Modal Regulation Needed!



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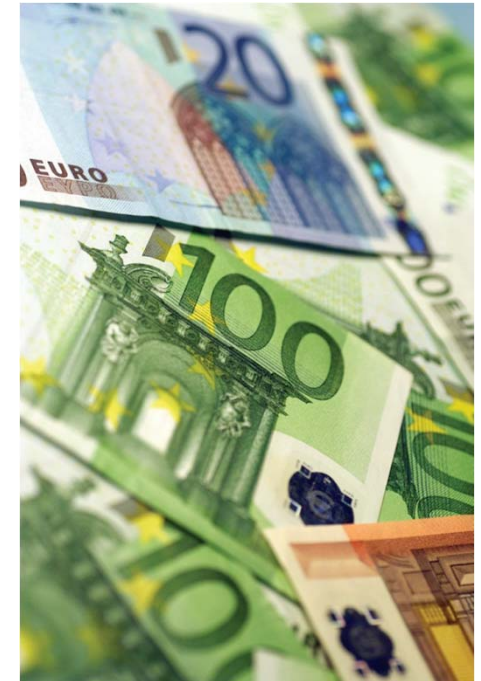
- Improve law-making to ensure a fair intermodal legislative framework
- Set up cross-modal legislative principles
  - Common principle for infrastructure charging
  - Common principle for internalization of negative externalities
  - Common principle for taxation
  - Common principle for passenger rights
  - Common social standards
  - ...

## Infrastructure Charges: All Transport Modes Should Be Put on a Level-Playing Field



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- Rail transport is energy-efficient & a low generator of CO2 emissions but **infrastructure charges for rail are much higher than road infrastructure charges** (which are sometimes inexistant)
- Measures to lower rail infrastructure charges or **introduce road tolls** have had a positive effect on rail freight traffic
- Positive examples: UK, Denmark, Netherlands, Sweden, Germany, Austria, Czech Republic, Switzerland



- **Recommendation: ensure alignment between road & rail infrastructure charges for freight**

# External Costs: Importance of Assessing the True Cost of Transport



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- Current transport prices do not reflect the true cost of transport;
- Competition between modes is distorted;
- Consequences on modal preferences are dramatic, since price is the most important parameter for freight customer.



- CER believes it is time to fully internalise the external costs of transport by applying the 'polluter pays' principle, covering costs generated by accidents, CO2 emissions and congestion.

# All Three Key Elements of the Sustainable Rail Development Must Always be Equally Promoted!



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Intermodal level playing field



Intramodal competition

Infrastructure



Thank you for your attention!



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