

***CER policy
priorities for
the 2014-2019
mandate***



CER

Community of European Railway
and Infrastructure Companies

CER at a glance

The Community of European Railway and Infrastructure Companies (CER) is the leading European railway association. It was founded in 1988 with twelve members and now brings together more than seventy European railway undertakings, their national associations as well as infrastructure companies and vehicle leasing companies.

CER MEMBERS REPRESENT

61%

of the European rail network length

84%

of the European rail freight business

99%

of rail passenger operations in Europe

CER MEMBERS COME FROM

EU-28, Norway, Switzerland, Moldova, EU candidate countries (Macedonia, Montenegro, Serbia, Turkey) and Western Balkan countries. CER also has partners in Japan and Georgia.



CER's vision for the future of the European rail sector

Our vision is for a European rail sector that is:

- > **A competitive and viable first-choice transport mode** in terms of price and service quality for both passengers and freight customers;
- > The backbone of a **seamless and integrated transport system** – in close cooperation with the other transport modes;
- > An enabling factor for the competitiveness of the European economy, **supporting economic growth and job creation**, and contributing to an **inclusive society**;
- > Central to the delivery of Europe's goals of cutting **greenhouse gas emissions**, achieving **energy security**, and relieving **congestion**.

Our commitment is to achieve a situation where:

- > The rail sector places a premium on **technological innovation** and on **new service models** in areas such as ticketing, travel information, real-time information for customers;
- > Europe's railway companies emerge as **leading providers of transport and logistics solutions** across borders and across modes;
- > Rail remains the **greenest and the safest** mode of transport.

Our plea to policy-makers is to ensure that:

- > Rail infrastructure funding is **solid, sufficient, and predictable**;
- > EU policies facilitate **development, innovation, and growth** – leaving companies in charge of choosing the best way to implement, and cities, regions, and Member States in the driving seat of public transport policy;
- > A **level playing field** is created between transport modes – while supporting new infrastructure connections and new complementarities between the modes.

Introduction

Transport, energy, and climate policies can play a very significant role in strengthening Europe's economic security, its competitiveness, and its ability to pursue a robust external policy. The challenge of Europe's high and rapidly growing reliance on imported fossil fuels is again climbing to the top of the political agenda.

Europe needs to move away from imported fossil fuels while also achieving a high-efficiency, low-carbon economy. The emergence of a resilient transport and energy system is crucial to achieving that goal. The solutions already exist: a greater use of domestic and zero-carbon energy sources for power generation; energy efficient, concentrated transport flows in both passenger and freight; new technologies in both the energy and transport sectors. They require upfront investment and strong incentives and pricing signals. They require political will, first and foremost.

Rail, as a low-oil, low-carbon transport mode, can make a crucial contribution as the backbone of a new-generation transport system for Europe, while also delivering positive economic and competitiveness effects. Stronger rail connections can enhance transaction opportunities on both the labour and product markets in combination with positive spatial agglomeration effects. These effects support the productivity and the competitiveness of the domestic economy while offering a springboard for greater export performance for both the rail sector and its supplying industry.

CER calls for policy initiatives that facilitate growth and business development in the rail sector on the basis of substantial and rapid infrastructure investments where positive business cases exist, covering both maintenance and renewal needs, and upgrade and new build priorities; strong and fair price signals within and between transport modes; and business-friendly support measures to support the emergence of new infrastructure and new services. A stable legal framework, applied in a consistent manner, is a crucial basis for investment and new business development.

CER calls for the following three-tier approach for the railway sector:

1

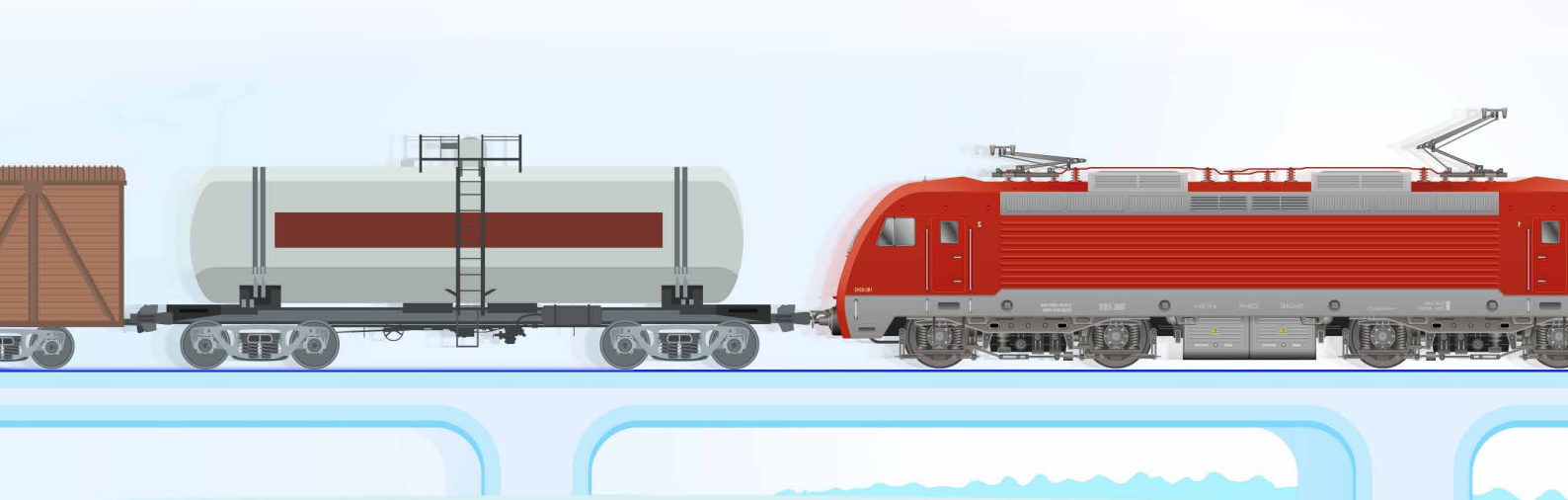
Stabilise the Legislative Framework for the Railway Market

2

Pursue a Pro-Growth Agenda for the Railway Sector

3

Develop a new Inter-Modal Strategy for Transport



1. Stabilise the legislative framework for the railway market

The EU's railways need stability and legal certainty in order to focus on what they are meant to do: achieving customer satisfaction in the transportation of people and goods, based on services that are reliable, safe, and competitive.

The Fourth Railway Package should be brought to a successful political conclusion by:

Completing the Technical Pillar

Supporting market opening for commercial (open access) services while safeguarding the economic equilibrium of Public Service Obligations

Respecting subsidiarity on governance structures and on definition and award of Public Service Obligations

With the exception of pre-announced reforms to the Network of Regulatory Bodies, CER believes that any new legislative proposal in the area of market regulation would be counter-productive over the course of the next Commission.

The top priority must then be the efficient implementation of the Recast Directive, and of the Fourth Railway Package once it enters into force. Implementation should proceed without undue delays and should be consistent across the Union.

CER will engage with the European Commission, with the goal of ensuring appropriate and balanced conditions for each of the main market segments, namely PSO, non-PSO passenger, and freight, resting on sound financing principles for infrastructure managers. **Facilitating the emergence of high-quality, punctual and competitive services in both passenger and freight is a core value for CER.**

Under-funding of infrastructure, under-compensation of public service obligations, and a failure to clear historical debt are three core reasons explaining the difficulties experienced by railway systems in several Member States, notably but not exclusively in Central and Eastern Europe. CER calls upon the Commission to monitor the compliance of Member States with their funding obligations and to take appropriate steps when these are not met.

Better coordination between Infrastructure Managers and Railway Undertakings is the pre-condition for a financially sustainable growth model for the rail sector. CER shall support the development of voluntary Cooperation Agreements as foreseen in the European Parliament's First Reading position of the Fourth Railway Package.

In the technical field, the following priorities stand out:

- > The European Railway Agency (ERA) to develop into a one-stop-shop for decisions on safety certifications, vehicle authorisations, and track-side ERTMS authorisations;
- > **Harmonisation of the technical environment**, with identification of the deficiencies in the Technical Specifications for Interoperability (TSIs);
- > Refinement of the certification of the actors involved in rail safety (RUs, IMs, ECMs);
- > **ERTMS – stabilisation of the specification**, including test specifications, standardised interfaces and backwards compatibility, and monitoring of implementation. The ERA, not the NSAs, must be the ultimate decision-maker to ensure a harmonised approach;
- > Identification of relevant **spare parts to be standardised, under ERA coordination.**



2. Pursue a pro-growth agenda for the railway sector

Enhanced conditions for high-speed and cross-border passenger services

High speed rail offers much faster train connections between city centres in Europe, improving connections between major nodes. High speed trains running in the range of 300 – 320 km/h have for instance cut travel time by rail by 45% between Brussels and Frankfurt and by more than 60% between Madrid and Barcelona. High speed rail has the potential to take over the majority of medium-distance passenger traffic in Europe, as a proven alternative to air transport with travel times of up to four hours.

High-speed services compete directly with short-haul flights on specific origin-destinations. In the broader picture, high-speed services can also be feeder services for aviation. Measures should be considered, including within the path allocation process, to facilitate the development of air-rail cooperation and competition.

A European Master Plan for rail freight

The 2011 Transport White Paper sets the following target:

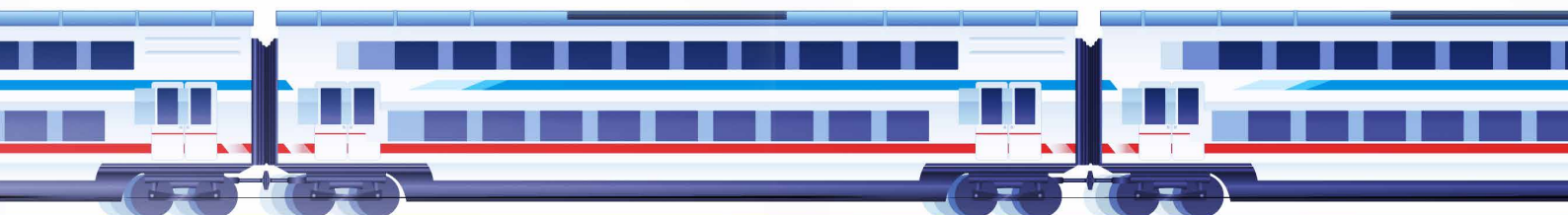
“30% of road freight over 300 km should shift to other modes such as rail or waterborne transport by 2030, and more than 50% by 2050, facilitated by efficient and green freight corridors. To meet this goal will also require appropriate infrastructure to be developed.”

To achieve this CER identifies the following priorities:

- > Access to sufficient overall capacity on the network, including new investment in passing loops to facilitate efficient use of capacity with mixed traffic;
- > Higher infrastructure quality where relevant to support higher commercial speed and better punctuality;
- > Competitive and satisfactory paths, in particular for premium services, in order to offer attractive and reliable delivery times;
- > Better integration in the logistics chain, including first- and last-mile links to industrial sites, warehousing facilities, ports, and combined transport facilities;
- > Re-concentrated demand flows based on optimisation of industrial zoning.

Research and development

CER will follow and monitor the research activities in Shift²Rail, as the single reference point on rail-related research and innovation projects funded at Union level, in the Shift²Rail Strategic Board. For the annual calls in the framework of Horizon 2020 the focus shall be on the one hand on finding solutions for closing open points in the Technical Specifications for Interoperability (TSI) and on the other hand on finding technical solutions following the strategies outlined in the ERRAC (European Rail Research Advisory Council) roadmap



3. Develop a new inter-modal strategy for transport

Europe's future transport system should be both sustainable and competitive. A fresh analysis is needed with regards to overall conditions between transport modes.

Fair conditions for inter-modal competition need to be secured while also fostering win-win solutions for inter-modal cooperation.

Inter-modal competition

Regarding **pricing policies**, CER identifies the following areas for possible action: infrastructure pricing; internalisation of local external costs; climate and energy policies; and taxation.

The distance-based tolling principle should be endorsed relating, at a minimum, to infrastructure wear-and-tear. This principle is enshrined in rail legislation and applied Union-wide. The same needs to happen with road charging. CER fully endorses the European Commission's intention to move towards that goal. CER also underscores the need to ensure compulsory full internalisation of local external costs in all modes of transport.

The EU's new 2030 Framework for Climate and Energy Policies should determine the Union's ability to achieve key goals in emissions reduction, energy efficiency, renewable energy, and energy security. The rail sector's excellent performance on all of these counts means it is part of the solution and should be fostered. **CER calls for the inclusion of a comprehensive Transport Pillar into the 2030 Framework for Climate and Energy Policies. This would be based on facilitating measures and co-financing measures for modal shift in favour of low-oil, low-carbon transport solutions including railway and public transport; for electrification of surface transport and strong inter-modal connections; and for transport flow concentration.**

In the area of taxation a fresh look at conditions between transport modes regarding value added tax (VAT) would be interesting.

Inter-modal cooperation

Intermodal freight connections at ports and terminals, and intermodal passenger connections at passenger train stations, are where demand for rail services is met.

For freight, links to major multimodal nodes, in particular maritime ports, are essential. With growing congestion at ports and the ever increasing size of vessels, greater rail capacity for shipping goods and containers from ports to the hinterland is becoming a necessity. **Projects focusing on better connections between ports and the rail network should therefore be supported under the 'Motorways of the Seas' priority of TEN-T.**

For passenger transport, rail can generate important economic benefits to areas surrounding stations and regions benefiting from more efficient transport connections. **Stations must be well-connected with airports, mass transit systems and private transport. These considerations must be taken into account by planning authorities, as well as authorities in charge of infrastructure funding.** It should also be an important criterion for EU funding into rail infrastructure, notably high-speed rail infrastructure. Conversely, major transport nodes in other modes should include railway connections wherever economically relevant.





*The Voice
of European
Railways*

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