



The Voice of European Railways

Positioning of Railways in the Global transport arena

UNECE, Working Party on Rail Transport

Dr. Libor Lochman

Deputy Executive Director of the Community of European Railway and Infrastructure Companies (CER)



Main areas of CER work



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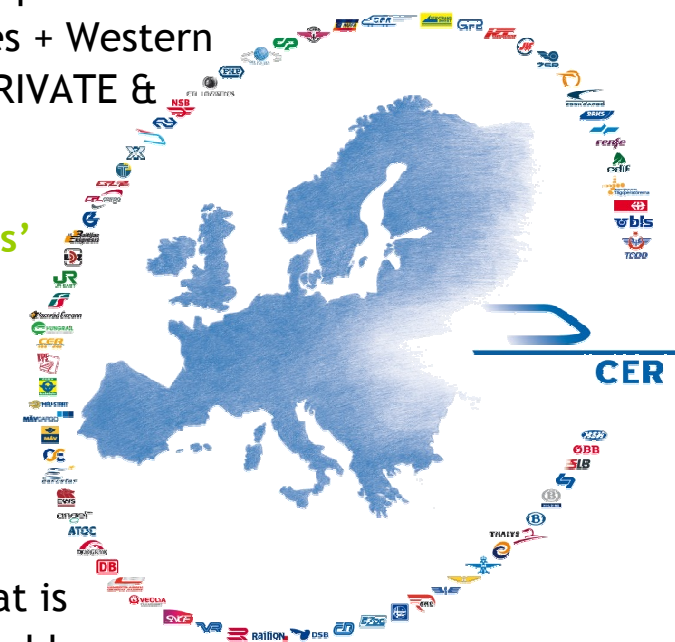
Representing European rail sector in EU

Pro-active shaping of EU agenda

Own initiatives

CER stands for...

- ▶ **70+ member companies**, rail operators, infrastructure managers, leasing companies from all EU countries + accession countries + Western Balkan + Norway and Switzerland: PRIVATE & PUBLIC companies
- ▶ **The representation of our members' interests in Brussels** towards the European Parliament, Commission and Council of Ministers as well as other policymakers and partners in transport
- ▶ **promoting a strong rail industry** that is essential to the creation of a sustainable transport system which is efficient, effective and environmentally sound.



- **With current fuel and vehicle technologies and average load factors rail has:**
 - Lower energy intensity
 - Lower specific emissions of GHG
 - Lower reliance on imported oil

- **Furthermore by its nature rail should be seen as:**
 - The backbone of the land transport system (principal axes and corridors)
 - The means for high volume shipments and mass transit of passengers

- Therefore the principal contribution of rail lies in capturing greater volumes on those market segments

- The 2011 Transport White Paper correctly identifies this potential

“In the intermediate distances (...) *more resource-efficient vehicles and cleaner fuels are unlikely to achieve on their own the necessary cuts in emissions* (...) This implies greater use of buses and coaches, rail and air transport for passengers and, for freight, multimodal solutions relying on waterborne and rail modes for long-hauls.” (*White Paper, par. 22*)

- Rail and IWW to grow on the long-distance freight segment
- Rail to grow on the medium-distance passenger travel segment
- Connecting the rail network to seaports and airports (“physical multi-modality”) and deploying a European multimodal transport information, management and payment system (“informational multi-modality”)
- **For rail to successfully make this contribution we need:**
 - Adequate economic framework conditions - including infrastructure
 - Higher efficiency, including cost efficiency ← innovation

**CER
welcomes the
White paper:**

**Reduction of
transport GHG
by 60% in 2050
(compared to
1990)**

**Modal shift
from road to
rail & IWW by
50% in 2050
(distances over
300 km)**

Facilitation of cross-border rail transport

- CER works against unlawful cross-financing
- CER promotes Trans-European Networks financing
- CER promotes simplified interoperability & safety rules

Promotion of the combined transport and interoperable and simplified cross border customs

- Definition of Green Corridors to favour Single wagonload and forwarding and transshipment activities
- Fair financing of rail sidings with guaranteed open access
- Electronic Custom

Promotion of the green & interoperable rolling stock

- rolling stock cross acceptance
- funding for renewal of aging rolling stock
- reduction of noise emission

The current development of Rail Freight Traffic in Europe? (million tonne-km, monthly)



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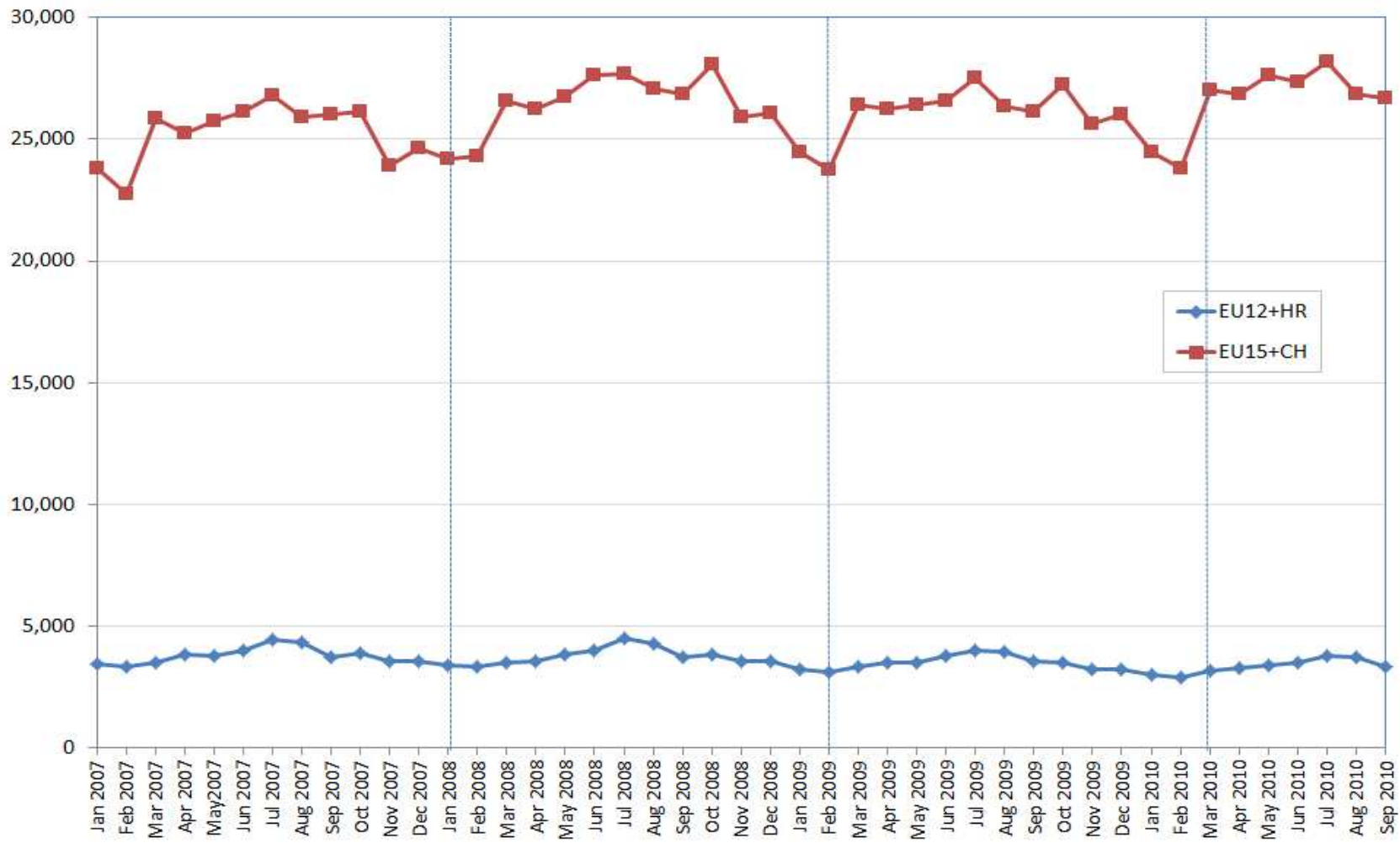


Source: CER November 2010

The current development of Rail Passenger Traffic in Europe? (million passenger-km, monthly)



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Source: CER November 2010

High-quality rail infrastructure – the essential precondition for sustainable future

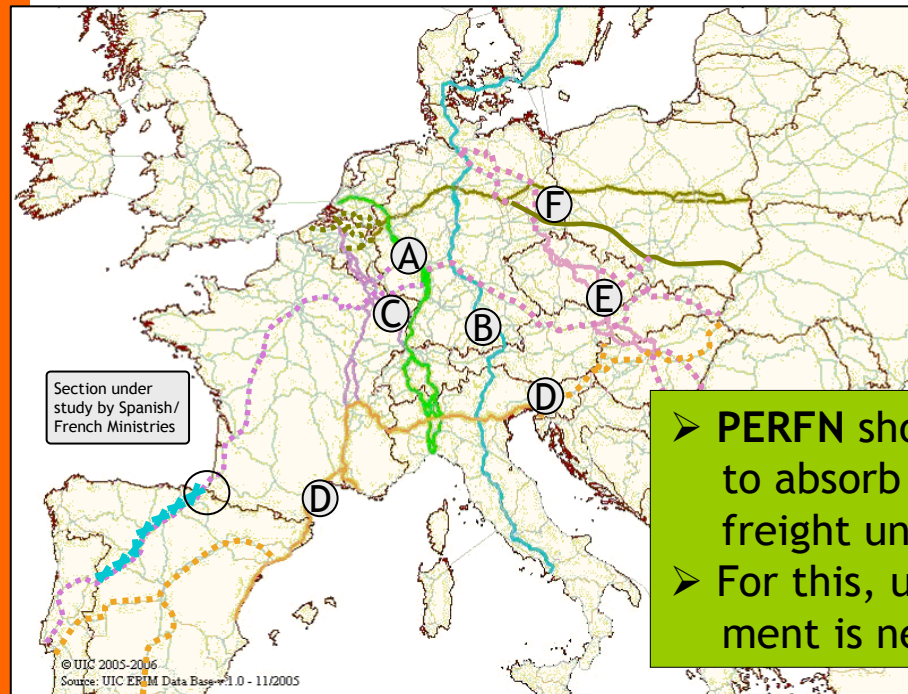


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CER
aims at
facilitating
cross-border
rail transport

CER initiated the concept of concentrating EU efforts on major European cross-border corridors in 2003, followed by:

- ERTMS corridors, 2005
- PERFN corridors, 2007 (Primary European Rail Freight Network)
- EU freight network regulation, 2010



Key facts 2006

- Covering 18 countries
 - ~ 25,000 track km
 - ~ 400 million freight train km p.a.
 - ~ 135 billion net tkm p.a.
- representing ~ 35% of total
- European rail freight volumes

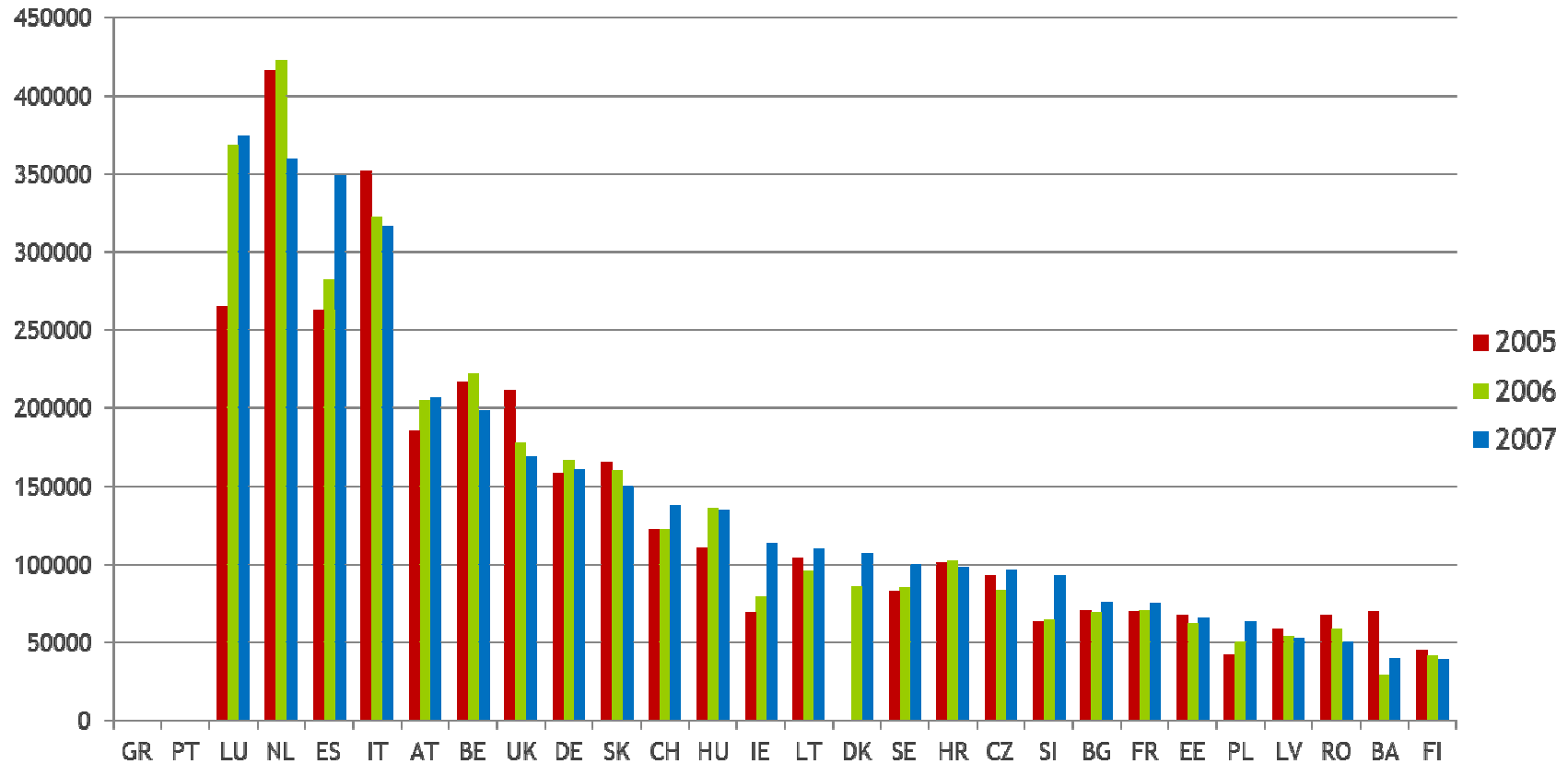
- PERFN should provide enough capacity to absorb growth of up to 72% of rail freight until 2020
- For this, up to € 145.4 billion investment is needed over the next 15 years

Investment in infrastructure 2005 - 2007

Running Expenditures + Existing Infrastructure + New Construction in EUR per track length PPP adjusted



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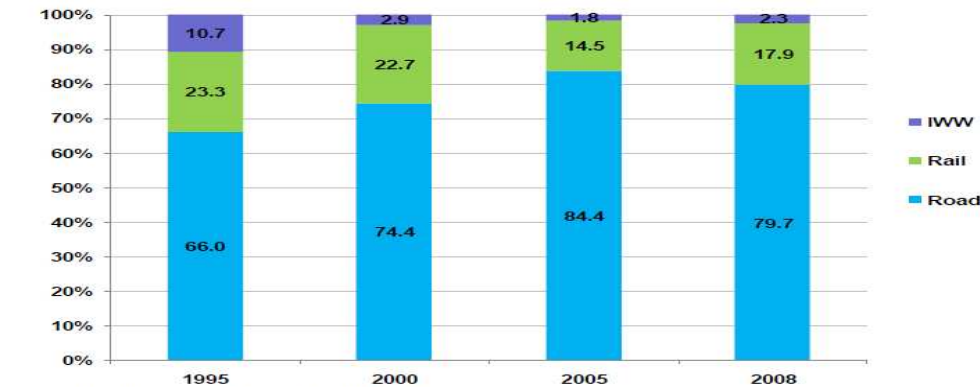
*For the United Kingdom, Estonia and Lithuania the data for investment in new infrastructure are not available.

Total rail infrastructure investment in EU12 and EU15



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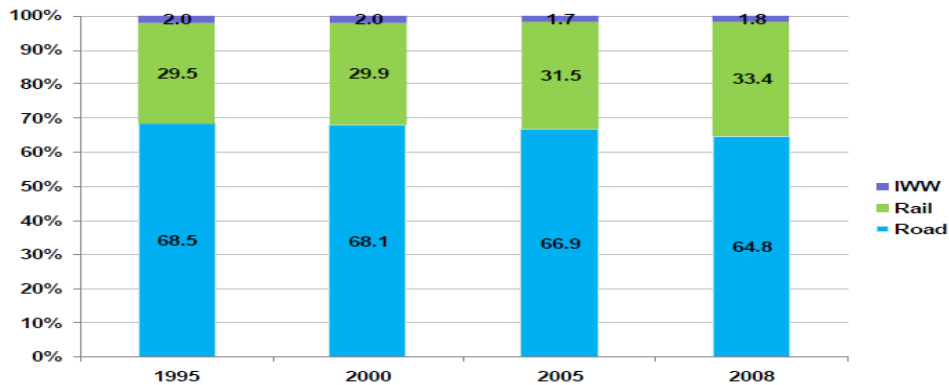
**Transport Infrastructure Investment Modal Split
Central and Eastern European Countries**
Euros, current prices and exchange rates



Source: ITF Investment in Transport Infrastructure.

The share of rail in transport infrastructure investment is far lower in Central and Eastern Europe than in Western Europe.

**Transport Infrastructure Investment Modal Split
Western European Countries**
Euros, current prices and exchange rates



Source: ITF Investment in Transport Infrastructure.

In 2008, only 17.9% of total investment was dedicated to rail in the CEECs, as compared to 33.4% for Western Europe.

Special support necessary for Central, South and Eastern European railway companies

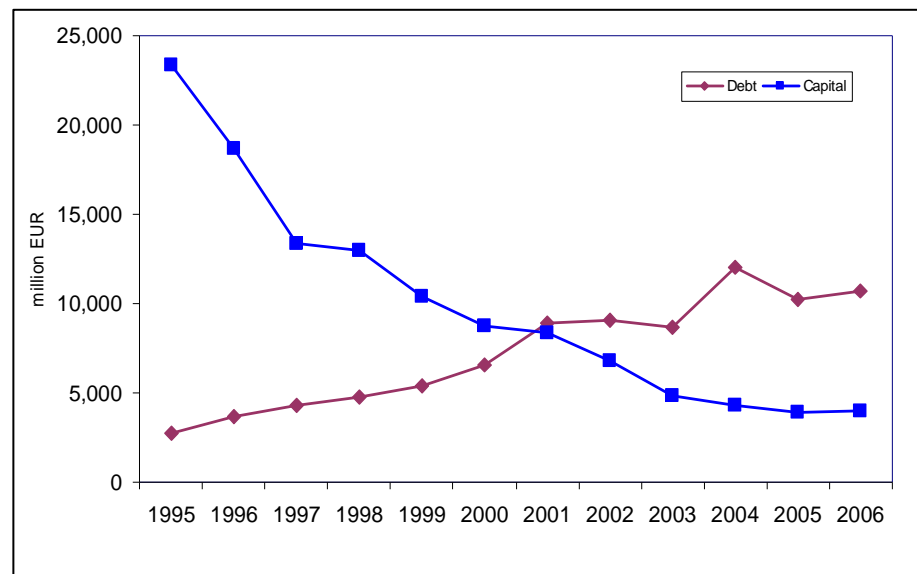


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CER promotes rail development in Eastern Europe, notably through FINANCING

CER warns about the dramatic situation in Central and Eastern Europe. This is getting acknowledged by European Commission.

Debt capital ratio in CEEC



Total capital of rail sector in CEEC:

1995: 28 bln EURO 2006: 4 bln EURO

Debt of CEEC rail sector:

1995: 2,7 bln EURO 2006: 11 bln EURO

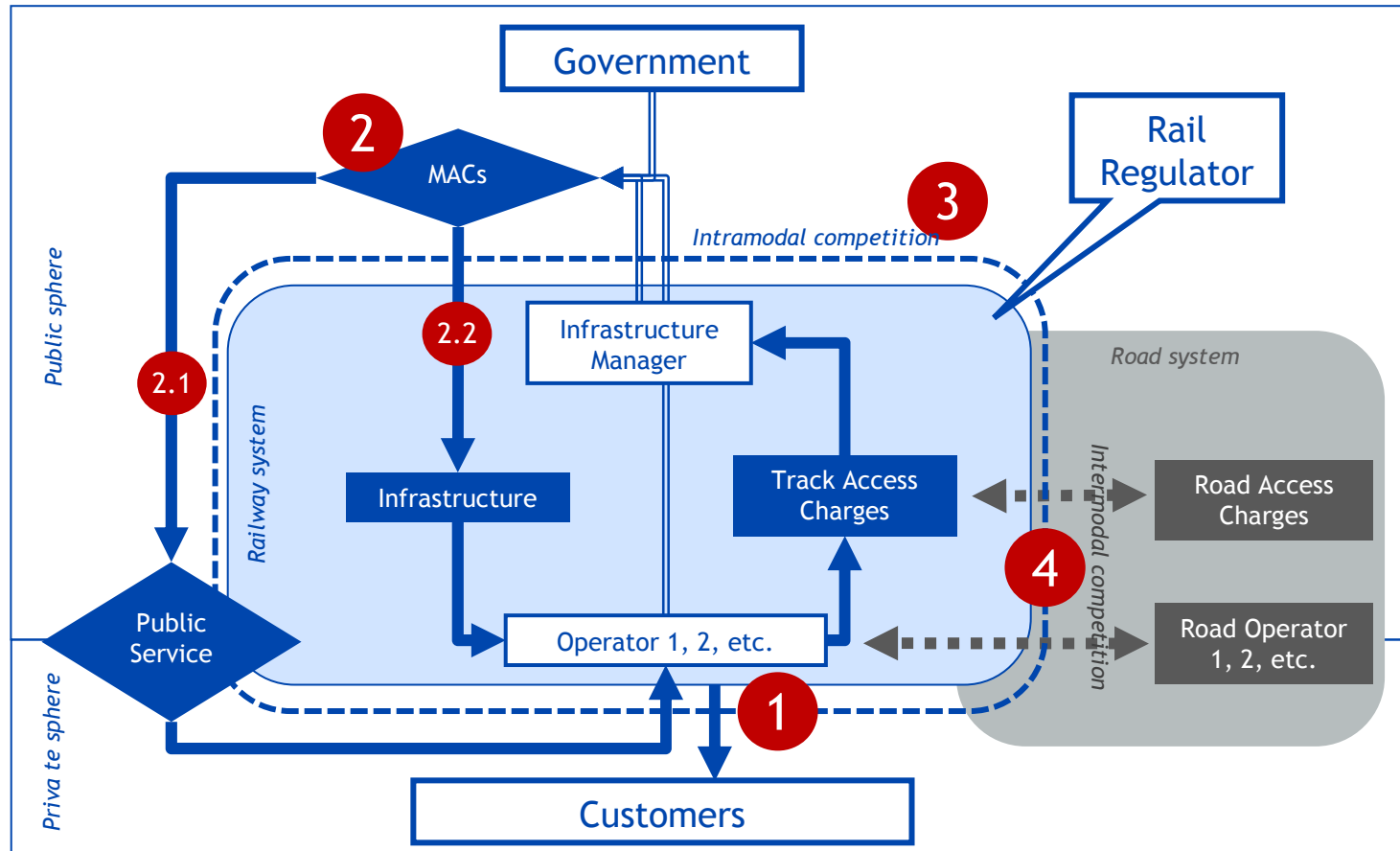
Future of railway system: a graphic summary of the critical points on which we must take action



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There are four critical points on which the rail sector, the rail sector, the European Commission and the Member States shall work together:

1. The service to the customer
2. Multi Annual Contracts: essential for providing Public Service (2.1) and for the maintenance and development of the infrastructure (2.2)
3. Intramodal competition
4. Intermodal competition



- **Recast of the First Railway Package**, incl. directive 2001/14 on the allocation of railway infrastructure capacity and the levying of charges for the use of the infrastructure

- **Combined Transport:**
 - Revision of the CT Directive 92/106
 - Draft regulation on masses and dimensions of road vehicles

- **Review of the Multiannual Financial Framework**
 - New proposal for TEN-T Guidelines and Connecting Europe Facility
 - Cohesion/Regional funds

- **Fourth Railway Package** (incl. further opening of domestic rail passenger market, unbundling, regulatory bodies, ERA)

- **Vehicle- and fuel-specific innovation**
 - Potentially radical for cars and vans, i.e. electrification
 - To a more limited degree for lorries, for aviation, and also for rail

- **Whole-system innovation**
 - Rail individually, especially “high speed” rail freight allowing to operate freight trains in same speed as conventional passenger trains and thus optimize utilization of infrastructure capacity
 - Combined transport / multi-modality in general
 - Road also, e.g. with respect to infrastructure charging and safety

- **Policy innovation** (based on socio-economic analyses) should not be overlooked

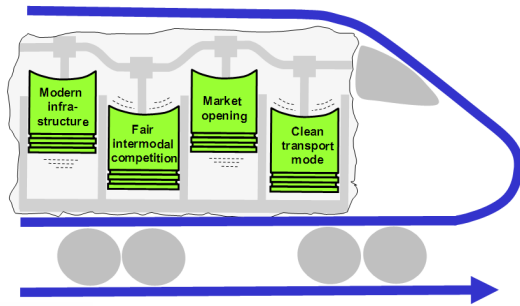
Six areas for innovation within rail - towards energy efficiency and sustainability



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1. More efficient use of infrastructure
 - a. *Removal of bottlenecks*
 - b. *Re-signalling / enhancement of capacity*
 - c. *Longer and heavier freight trains*
 - d. *Faster freight trains*
2. Greater cost-efficiency in rail infrastructure management
3. Higher energy efficiency and carbon efficiency of rail vehicle fleets
4. Raising the attractiveness of rail services
5. Ensuring the resilience of rail services, especially high-speed, with respect to extreme weather conditions (both summer and winter)
6. Completing train integrity monitoring in the context of ERTMS

Railway as the locomotive of a sustainable economy



- The European rail business will have arrived in the 'real' **European market**
- **Rail customers** will be satisfied with the service they receive
- The **right legal and economic conditions** will be in place
- The **environment and safety** will be benefiting
- The railway sector will be an **attractive employment market**
- **Public perception** will be positive

Thank you for your attention!



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→ Libor Lochman
CER Deputy Executive Director
Tel: +32 2 213 08 82
Email: libor.lochman@cer.be

→ For further information,
visit our website: www.cer.be

