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

24 October 2013, Geneva

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75 billion USD Transport Potential Between Europe and Asia: *How can Rail Attract Them?*
Markets Performances
Rail freight modal share development: EU12 vs EU15

Source: ETIF 2013
Rail freight market development in South East Europe

Data: in million t-km

- Serbia
- Slovenia
- Bosnia H
- Croatia
- Bulgaria
- Turkey
- Romania
ROMANIA: rail freight modal share - rising again!

Source: ETIF 2013
Intramodal Competition on the Rise
After 10 years of EU policy: a mixed picture

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...

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

Countries where rail modal share **dropped** betw. 2000 and 2010

Countries where rail modal share **increased** betw. 2000 and 2010

+25%
... But Total Rail Modal Share Dropped by 2.3% Between 2000 and 2010.

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

-2.3%
First & Foremost
Investments in Infrastructure
Rail-Road Modal Share of Transport Infrastructure Investment (in %) in Western and Eastern Europe

Source: ITF 2012
ROMANIA: Rail & Road Infra Investments (Excluding Maintenance) (euro Ml)

Source: ITF 2013
Recent Legislation: TEN-T & CEF
Core and Comprehensive Network

The Technical Standards

**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.**
By When?

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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<tbody>
<tr>
<td>For individual studies (all modes)</td>
<td>50%</td>
<td>50%</td>
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<tr>
<td>For rail/inland waterways (work)</td>
<td>20%</td>
<td>20%</td>
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<td>For road with no rail network/border crossing</td>
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<td>20%/10%</td>
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<tr>
<td>For bottlenecks (work) (new)</td>
<td>--</td>
<td>30% (rail/inland waterw.)</td>
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<tr>
<td>For cross-border projects (work)</td>
<td>30%</td>
<td>40% (rail/inland waterw.)</td>
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<tr>
<td>For reducing rail freight noise including retrofitting of existing rolling stock (new) and inland transport connections to ports and airports (new)</td>
<td>--</td>
<td>20% (all modes)</td>
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<tr>
<td>For ITS projects such as ERTMS, both for track-side and on-board</td>
<td>50%</td>
<td>50% (all modes)</td>
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<td>Accessibility for disabled persons (PRM) (new)</td>
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<td>30%</td>
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New CEF budget

- Current financial period 2007-2013: €8bn
- New financial period 2014-2020: €23.2bn (+200%)
The Intermodal Level Playing Field
Intermodal Level Playing Field?
Cross-Modal Regulation Needed!

- 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

- 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

- 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!

Intermodal level playing field

Infrastructure

Intramodal competition
Thank you for your attention!

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