EU Commission policy initiatives for increased competitiveness of rail transport

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Single European Rail Area

I. The 4th Railway Package

II. Establishing the European Rail Network for Competitive Freight

III. Shift-2-Rail – Promoting Research & Development for Rail

Key challenges for rail (I)

- **A quality challenge:**
  - **Improving reliability and punctuality,** i.a. through higher interoperability
- **A cost challenge:**
  - **Improving cost competitiveness by higher productivity and more efficient train operations,** i.a. through improved and harmonised infrastructure standards
- **A service challenge:**
  - **Adding new added-value service features,** allowing rail to (re-)enter into new / lost market segments
- **A political challenge:**
  - **Securing societal and political acceptance and support of rail**

Key challenges for rail (II)

- … and a 'European' challenge:
  - Achieving a truly Single European Area

    = Eliminating borders for the users of the rail system

    = Achieving a European market for rolling stock and infrastructure equipment

    = A European (corridor) approach to infrastructure development and traffic management

    = Developing cross-border rail services

    = … and making them easily accessible

I. The 4th Railway Package

- Completing the Single European Rail Area

The Three Pillars of the Fourth Package

1. *To open domestic passenger markets*

2. *To create better structures and governance for infrastructure managers*

3. *To establish consistent approvals and certification procedures for rail interoperability and safety*

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First Pillar

Opening of Domestic Passenger Markets

Domestic Rail Passenger Market Issues

- **Inadequate service quality (punctuality, comfort, cleanliness, etc.)**
- **Limited passenger choice**
- **Inefficient use of public funds (for infrastructure and PSO)**

Due to

- **Low degree of intra-rail competition and lack of competitive pressure for incumbents**
- **Inter-modal competition limited to specific market segments**

Domestic Rail Passenger Market Proposals

Open Access

- **Open access for all EU operators on all domestic passenger markets**
- **Subject to economic equilibrium test to protect public services where necessary**

PSC Award

- **Compulsory competitive tendering for public service contracts of a certain size**
- **Clear cut-off date on existing directly awarded contracts**

Second Pillar

A Better Governance for Infrastructure

A better governance for infrastructure

Efficiency challenge:

- **Infrastructure manager as natural monopolies may lack responsiveness to customers' needs**
- **Insufficient incentives for infrastructure managers to reduce costs and improve services**
- **Lack of cross-border co-operation**

Equal access challenge:

- **Conflict of interest of integrated Ims**
- **Discrimination opportunities**
- **Lack of financial transparency/cross - subsidisation**

Governance Proposals

Efficiency measures:

- All infrastructure management functions in the same hands
- Coordination body for infrastructure managers and users
- Establish EU network of IM's for international coordination

Equal access measures:

- Institutional separation as the general rule to remove conflicts of interest
- Possibility to maintain existing integrated structure under strict independence rules

Third Pillar

Approvals and certification procedures (Technical pillar)

Main problems and targets

Long and costly procedures & access barriers, caused by:

- ✓ Ineffective functioning of national railway institutions
- ✓ Discrimination against new entrants
- ✓ Patchwork of national regulatory regimes and rules
- ✓ Divergent interpretations of EU legislation by national authorities

Targets

- ✓ to achieve, by 2025, the removal of all unnecessary national rules
- ✓ to achieve, by 2025, a 20% reduction in the time to market for new Railway Undertakings
- ✓ to achieve, by 2025, a 20% reduction in the cost and duration of the authorisation of rolling stock

New powers for ERA

- issuing single safety certificates and vehicle authorisations
- strengthened control by ERA over the functioning of NSAs and NoBos
- strengthened role in the process of removal of unnecessary national rules
- more role in verifying the compatibility of calls for tenders for ERTMS in MS with technical rules

II. Establishing the European Rail Network for Competitive Freight

- Promoting seamless rail freight services across borders

10 November 2015
– A milestone for the Rail Freight Corridors

- **RFC 3, 5 and 8 become operational by 10 November 2015**
  - **RFC 3 – Scandinavian-Mediterranean Corridor**
  - **RFC 5 – Baltic-Adriatic Corridor**
  - **RFC 8 – North Sea-Baltic Corridor**

- **RFC 1, 2, 4, 6, 7 and 9 became operational in November 2013**

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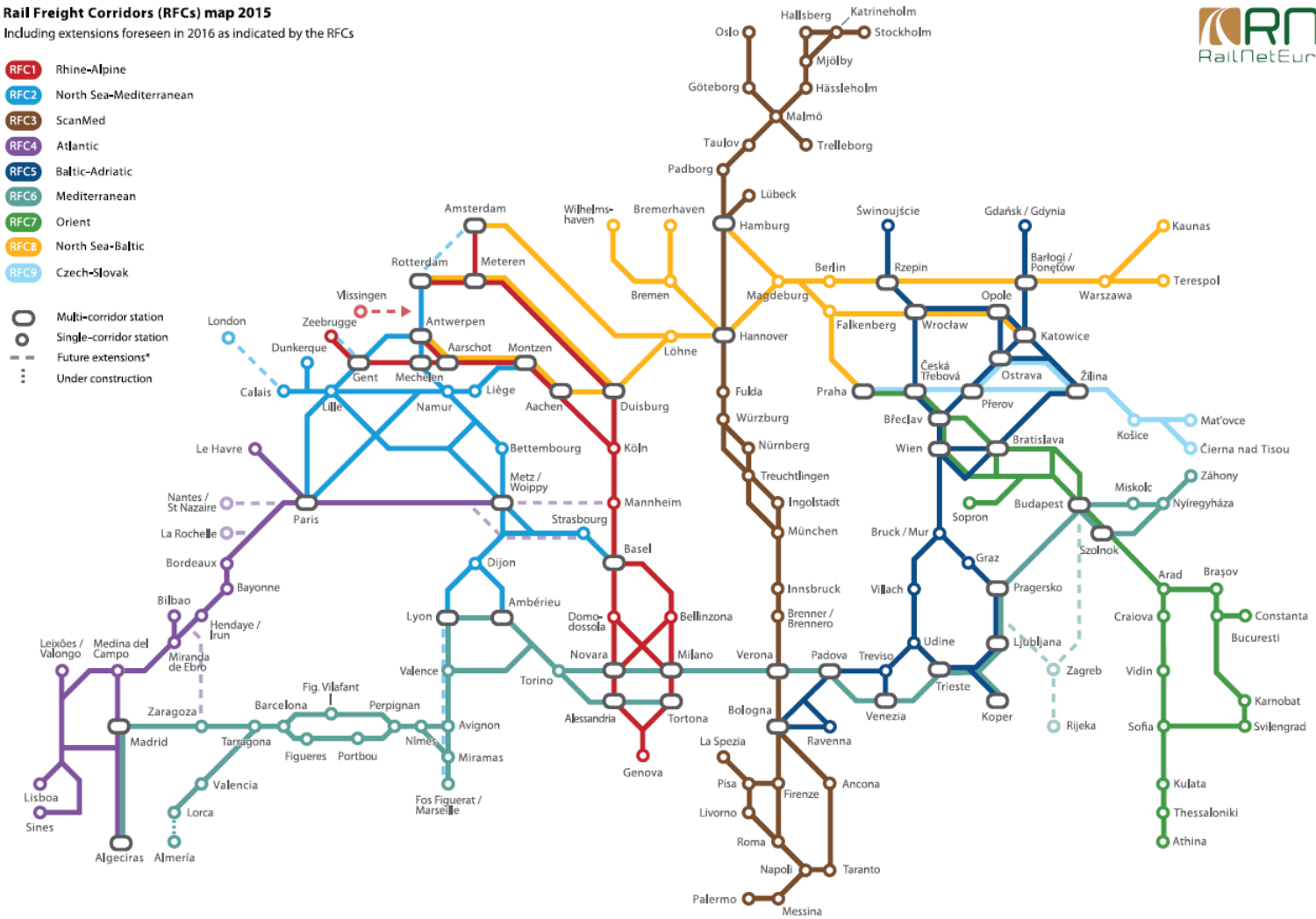
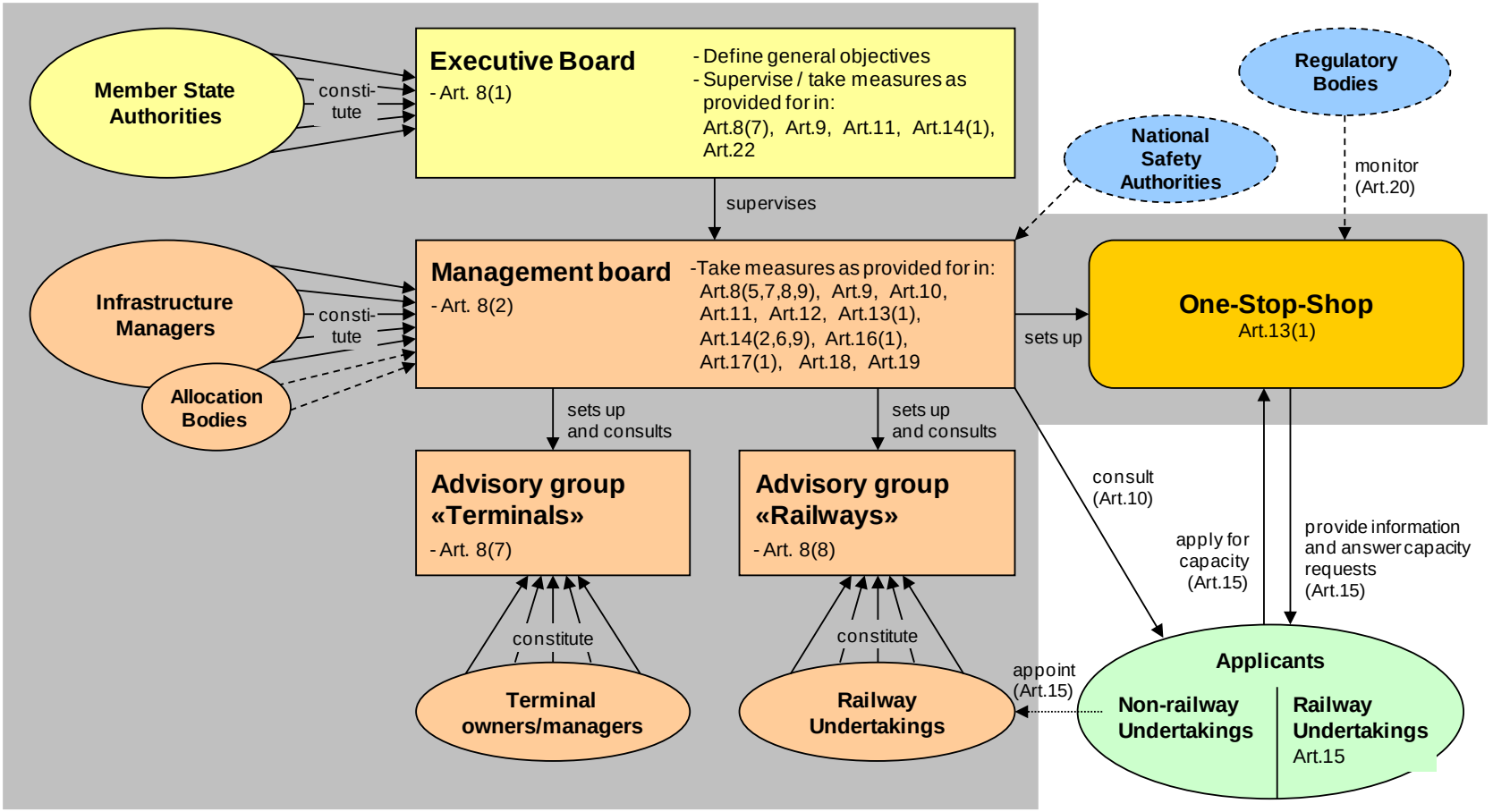
Rail Freight Corridors in 2015



General objectives of the RFCs

- **Reinforce cooperation among Rail Infrastructure Managers (and Member States)**
- **Improved capacity and harmonised standard on Rail Freight Corridors**
- **Provide rail freight services of good quality**
- **Improved customer orientation**

RFC Governance structure



Rail Freight Corridors (RFC) in the context of the Core Network Corridors (CNC)

- **RFCs form the *rail freight backbone* of the CNCs**
- **A strong and ambitious development of the RFCs crucial to strengthen the role of rail as a transport mode in the CNCs**

- **Core Network Corridors**
  - **Multimodal** (rail, road, aviation, inland waterways and ports)
  - **Passenger and freight traffic**
  - **One EU Coordinator per CNC**

- **Rail Freight Corridors**
  - **Rail transport**
  - **Freight focus**
  - **Dedicated governance structure for each RFC** (including European Commission as observer)
  - **One RFC within each CNC**

Core Network infrastructure requirements in the context of the RFC

Requirements on the Core Network (Freight) according to Art 39(2a) of Reg. 1315/2013/EC (TEN-T Guidelines)

- **740m train length**
- **22,5 t axle-load**
- **100 km/h line speed**
- **ERTMS**
- **Electrification**

→ **To be achieved until 2030**

→ RFCs should carry out studies for the implementation of the requirements (elegible for co-funding under the CEF)

RFCs: Achievements - examples (I)

- **Six RFCs operational since November 2013**
- **All nine RFCs operational from November 2015**
- **Setting up of Working Groups/Task Forces in the RFCs addressing specific issues raised by customers, such as:**
  - **Short-distance interoperability on border sections (language, vehicle authorisation, …)**
  - **Customs handling in border stations**
  - **Rules for buffer wagons in Dangerous Goods transport**
  - **Terms & Conditions for use of infrastructure**
  - **…**
- **Interest in extension and setting up of further RFCs**

RFCs: Achievements - examples (II)

- **Growing offer and use of dedicated capacity for international freight trains (Pre-Arranged Train Paths & Reserve Capacity)**
- **Increased co-operation between different RFCs, aiming at harmonised solutions**
- **Studies for implementation of improved infrastructure standards, e.g.**
  - **740m long trains**
  - **Improved loading gauges**

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Success factors for Rail Freight Corridors

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Success factors for rail corridors

- **Operational ("soft" measures):**
  - **Enhancing and speeding up train handling (and customs) procedures in border stations**
  - **Interoperability on cross-border sections**
  - **Harmonisation of operational rules**
  - **Harmonised quality and performance monitoring and traffic management across corridors**

- **Infrastructural ("hard" measures):**
  - **Deployment of harmonised infrastructure standards and ensuring continuity of standards across borders (in EU: TEN-T minimum requirements, in particular 740m train length and 22,5 t axle-load)**
  - **Development of intermodal terminals and last-mile infrastructure**

Success factors for rail corridors

- **Political**
  - **Priorisation of investments into improvements of the RFCs (with regard to standard, capacity and terminals), in particular regarding cross-border sections**
  - **Application of a truly «European approach» to the development of the network of RFCs – willingness to make compromises**

Shift-2-Rail

- joint initiative for rail research & innovation by the Commission and the rail sector

Shift2Rail

- General objectives of Shift2Rail

- **Achieve the Single European Railway Area through the removal of remaining technical obstacles holding back the rail sector in terms of interoperability;**

- **Radically enhance the attractiveness and competitiveness of the European railway system to ensure a modal shift towards rail;**

- **Help the European rail industry to retain and consolidate its leadership on the global market for rail products and services.**

Shift2Rail
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Innovation Programmes

Cost-efficient and reliable trains (IP1)

Priority R&I areas:

- **Train Interiors**
- **Doors and intelligent access systems**
- **Traction**
- **Train Control and Monitoring System (TCMS)**
- **Carbody shell**
- **Running Gear**
- **Brakes**

Traffic management & control (IP2)

Priority R&I areas:

- **Smart, fail-safe communications and positioning systems**
- **Traffic Management Evolution**
- **Automation**
- **Moving block and train integrity**
- **Smart procurement and testing**
- **Virtual coupling**
- **Cyber security**

Railway infrastructure (IP3)

Priority R&I areas:

- **New directions in switches and crossings**
- **Innovative track design and materials**
- **Cost effective Tunnel & Bridge solutions**
- **Intelligent system maintenance**
- **Improved station concepts**
- **Energy efficiency**

Innovative IT solutions (IP4)

Priority R&I areas:

- **Improved technical framework**
- **Customer experience applications**
- **Multimodal travel services**

Innovative freight solutions (IP5)

Priority R&I areas:

- **Implementation Strategies and Business Analytics**
- **Freight Electrification, Brake and Telematics**
- **Access and Operation**
- **Wagon design**
- **Novel Terminal, Hubs, Marshalling yards, Sidings**
- **New Freight Propulsion Concepts**
- **Sustainable rail transport of dangerous goods**
- **Long-term vision for an autonomous rail freight system**

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Cross-cutting themes

1. Long-term needs and socio-economic research

2. Smart materials and processes

3. System integration, safety and interoperability

4. Energy and sustainability

5. Human capital

S2R Technology Demonstrators

- **Close the gap in the innovation chain (from ideas to market)**
- **Support market uptake and impact by enabling the testing of innovative solutions under real-world conditions**
- **Ensure strong involvement of all stakeholders thanks to collaborative nature of demonstrators**
- **Strengthen the European dimension with cross-border demonstrators**
- **Quantify the impact of the introduction of each new technology and of different combinations of technologies**
- **Provide increased visibility and generate interest in the rail industry to attract top graduates from across Europe**

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Thank you for your attention !

Transport