

Communication from the Commission: A sustainable future for transport: Towards an integrated, technology-led and user friendly system

A response from Eurostar

Introduction

Eurostar welcomes the opportunity to respond to the Commission's Communication looking at a sustainable future for transport.

In formulating our response, we have focussed on two themes:

- the importance of transport's role in tackling climate change
- the need to address fundamental barriers to achieving genuine competition in the rail sector

Background

Eurostar is the provider of carbon neutral, high-speed rail journeys between London St Pancras International, Ebbsfleet International and Ashford International in the UK, Paris Gare du Nord, Lille-Europe and Calais-Fréthun in France, and Brussels-Midi in Belgium. It is an unincorporated joint venture between French Railways (SNCF), Eurostar U.K. Limited (EUKL) and Belgian Railways (SNCB).

Eurostar also operates to Disneyland Resort Paris; Bourg St. Maurice during the ski season; and Avignon in the summer. In addition, Eurostar offers connecting fares from over 300 towns and cities in Britain to over 100 destinations in France, Belgium, Germany, Switzerland and the Netherlands.

Eurostar began services in 1994, carrying 1 million passengers in its first year of operation. In 2007, Eurostar launched services on the UK's first high-speed line (High Speed 1) from its new London terminal at St Pancras International. In 2008 it carried more than 9 million passengers and in August 2009 it passed the milestone of 100 million travellers since inception.

Eurostar is currently being restructured into a single entity, and from 2010 it is expected to become the first European train operating company licensed to operate across international borders.

Climate Change

1. The particular urgency and gravity of the problems connected with climate change have encouraged European governments to commit to a 20% reduction in greenhouse gas emissions by 2020. The EU has gone further than any other region in this respect – a move that is both ambitious and welcome in these difficult economic circumstances. The transport sector has a huge role to play – we generate nearly 25 per cent of the EU's greenhouse gas emissions. The distinguished economist Professor Lord Stern is right that it will be difficult to cut emissions from our sector overall. We must therefore live up to our responsibility to reduce our own, and our customers', carbon footprint by accepting the need to do business in a completely different way
2. What is needed is a revolution of thought – and one that translates into a revolution in the way we operate. Ultimately, we need to decarbonise the

transport system - the transport sector needs to increase its efficiency overall. As an industry, we need to have the vision and the commitment to invest in new technologies and to ensure that our supply chains make a similar commitment. For the rail industry, for example, this will involve looking at newer, cleaner fuels in the domestic rail sector as well as widespread electrification, while also bringing more efficient rolling stock on-stream.

3. Decarbonising the system as a whole will almost certainly mean greater investment in greener, more extensive and better connected forms of public transport. Policymakers are realising that high-speed rail offers a genuine alternative to air travel in terms of costs, speed and emissions. There are already nearly 6,000km of high-speed track in the EU, and Europe-wide there are plans to triple the size of the high-speed network in the 15 years to 2020.
4. There also needs to be strong commitment and progress towards a much lower emissions energy sector in the EU. Many of the key opportunities to reduce emissions, not least in the transport sector for rail and road, are based on electrification. In order to achieve this, the electrification needs to be supported by moves towards lower or zero-carbon sources of electricity in all countries.
5. Our research shows that, based on actual load factors and specific energy data, each passenger journey by Eurostar generates just one tenth of the CO₂ of an equivalent journey by air. Moreover, the environmental benefits of high-speed rail will only increase in the future as more lower carbon forms of energy come on line. Indeed, to reiterate Lord Stern, the whole of rail could be decarbonised by electrifying the network and generating electricity in a renewable way.
6. The EU is part of a burgeoning international consensus, a growing movement, that high-speed lines, with their higher load factors and lower carbon energy sources, can replace the need to fly on short-haul journeys. The high-speed rail network across Europe is expected to have achieved a doubling in size by 2015 and in the US, meanwhile, President Barack Obama has recently announced the creation of high-speed corridors along the country's ten busiest transport routes.
7. We also need to help consumers understand the relative efficiencies associated with each mode of transport. Forty per cent of the public are already ahead of the game – a poll recently conducted for Eurostar in Belgium, France and the UK found that four out of ten people said they take the environmental impact of a trip into account before booking their travel. What we now need to do is ensure that the remaining 60 per cent of people are given the information that will help them make the small changes to their travel plans that will lighten their environmental footprint.
8. In 2007 Eurostar launched its Tread Lightly environmental plan, which commits us to reducing, re-using or recycling all the materials and energy associated with its daily operations. Eurostar originally set itself a target of reducing carbon emissions by 25 per cent per passenger journey by 2012 – a target achieved earlier than expected and now raised to 35 per cent by the same deadline. Tread Lightly is a response to demand from Eurostar's corporate and leisure customers – in a recent poll carried out for Eurostar, 70 per cent said that businesses should be doing more than simple box-ticking when it comes to environmental policies.

9. We in the transport sector need to harness this public enthusiasm for lower carbon travel and translate it into business success. Since the launch of our carbon neutral journeys scheme, Eurostar travellers have saved more than 40,000 tonnes of carbon dioxide as a result of switching from plane to train. This, of course, helps the environment. But it is also good for our business, again proving that environmental sustainability and commercial success can co-exist.
10. A low carbon vision for transport will be hard to realise. It will take investment, determination and a commitment from all parties involved to staying the course and funding the necessary changes over the long-term. It will be particularly difficult in the current economic context. And with high levels of public debt across Europe, the private sector might have to go further in demonstrating its commitment to a green transport infrastructure than before.

Competition

11. The liberalisation of the aviation sector in the 1990s and early 2000s led to unparalleled advancement in freedom of movement across Europe. We have an opportunity to forge a future for short haul travel that exploits and builds on the carbon efficiencies inherent in our railways, and that allows European citizens to enjoy a level of connectivity that is unmatched by aviation.
12. The good work that has been done on interoperable standards and European technical harmonisation has started to remove the technical barriers to international rail operation. This progress needs to be maintained and the implementation of Europe-wide technical solutions to signalling and other mission critical systems needs to be nurtured to ensure that the final products deliver the original vision. We believe that it is now time to build on this good work by moulding an environmental and competitive framework, that enables international rail to be as accessible as air transport.
13. If high-speed rail is to reach its full potential in providing a low carbon solution for mass transport across and within Europe, then the network needs to become truly European in the way that it operates. The reductions in journey time achieved by high-speed rail has made widespread international rail travel a reality and yet corporate culture and attitudes still reflect the realities of a 20th century context. The legacy of 19th century invention is a railway structure that now demands a 21st century approach to the way in which it is utilised. In particular and crucially, this means that we have to develop competitively sustainable solutions for fundamental issues such as technical interoperability and track access charging, as well as the compatibility of ticket distribution systems.
14. The growth of rail and in particular of high-speed rail has seen a continuous rise in the cost of track access charges across the EU. The wide variety of funding solutions implemented across Europe has produced considerable variation in access charges and in general (and unsurprisingly) the passing on of all or part of the construction cost to train operators. Therefore individual nation states each have their own track access charging regimes and the charges themselves are worked out using a multiplicity of different methods. The simplification of pan-European track access charging must be addressed if we are serious about creating a commercially competitive environment for high-speed rail, especially over longer distances and to enable connecting journeys. This needs to be matched by a determination to achieve a balance

between the requirement to cover operating maintenance costs and the need to incentivise access to high-speed rail networks and facilitate competition.

15. As the market for international high speed rail develops, we are also concerned that the monopoly supply of infrastructure should not lead to artificial price increases, as has been experienced in other transport sectors such as air.
16. In the same way that train operators are expected to compensate passengers for delays, infrastructure operators should be subject to financial penalties where they are the cause of delays to train operators. This will provide a greater incentive for infrastructure operators to maintain and ensure high quality infrastructure.
17. In order to maximise international connections and optimise the high speed rail network, greater steps must be made to bring about the actual prioritisation of international trains over local and regional trains in setting train schedules. The continued liberalisation of the market both internally and externally will support this, but it will require vision on a truly European scale to achieve it.
18. If European rail and high-speed rail are to truly compete with the airlines for the short haul travel market, then the rail sector has to match the ubiquity and ease of purchase common to the airlines. Eurostar is the only rail operator in the world to be registered on GDS in its own right. Following the move to paperless ticketing in the airline sector, Eurostar has pioneered an internet e-ticketing solution to enable travel agents, and passengers, to book airline and Eurostar tickets in one transaction.
19. A level competitive playing field between transport modes can only be achieved if external costs are truly internalised. Transport growth, especially the road network, has outstripped economic growth in the last decade. However, the perception of road as the cheapest mode does not reflect reality - most road networks are accessed free of without the wider environmental cost being passed onto the user. By contrast, in addition to the track access charges outlined above, charges applied to electricity generators under the Emissions Trading Scheme are passed on to train operators. Additionally, the growth in aviation towards 2050 will outstrip its predicted carbon efficiency savings leaving other sectors to compensate for the excess carbon burden created by increased flying. A true internalisation of the external costs of competing modes of transport must be achieved urgently to avoid continued distortion within the market and generate genuine modal switch.

Summary

Much has been achieved in producing the right environment for a global technical context within the European rail industry. We now need to build on those foundations to ensure that the growing European high-speed rail network is both accessible on commercially viable terms whilst also providing the level of accessibility and convenience that enables consumers to build our services readily into their busy lives. It only by addressing these outstanding commercial challenges that we will be in a position to fully exploit the wider environmental and societal advantages of investing in high speed rail.

EUROSTAR

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