



# Towards a European rail network for competitive freight



## ● Towards a European rail network for competitive freight

The development of rail freight is a major challenge for the transport sector in the European Union. Although rail freight levels declined significantly from the 1970s until only recently, fostering on more freight by rail can make a significant contribution to the creation of an efficient and sustainable European transport system. Rail transport is more environmentally friendly than road transport and may offer a competitive alternative to road on certain major segments of the market. However, there are major drawbacks: the fact that it has to share the infrastructure with passenger traffic, the lack of interoperability and a culture which is still insufficiently customer-oriented.

Over the last 15 years or so, the European Community has launched a series of initiatives aimed at revitalising rail freight transport and giving it a more European dimension, concerning both the way in which the sector is organised (rail freight has been gradually opened up to competition, and has been totally opened up to competition since 2007) and the development of technical interoperability as well as the construction of key infrastructures for the continent of Europe through the TEN-T programme and, where applicable, the Cohesion Fund.

These measures have produced satisfactory results, but they do not go far enough. The performance of rail freight has again improved significantly in last few years. In the first half of 2007, it increased by 7%<sup>1</sup>, in particular as a result of the dynamism of international traffic. However rail's modal share of freight transport is scarcely increasing. In addition, the development of interoperability remains modest and needs to be accelerated. Furthermore, the quality of services is still unsatisfactory in particular for international traffic<sup>2</sup>.

- **The need for action at European level**

In this context and in view of the White Paper on Transport for 2010 which expressed the Commission's desire to promote a European network giving priority to freight, it is appropriate to supplement Community initiatives already launched by taking more action to further promote the construction of an integrated and competitive European railway area.

The Commission wishes to transform this objective into actions. In terms of the freight transport market, it is when large volumes are transported by rail over long distances that it seems to most competitive with road transport. Furthermore, the growing containerisation of freight transport and the longer distances covered in the single European market should generate a growing demand for rail transport.

A regulation is therefore proposed aimed at the development of a European rail network for competitive freight, corridor by corridor. This approach is based on the programmes and initiatives already launched in this area, such as the deployment of ERTMS<sup>3</sup> on major European routes.

- **A "business-oriented" approach.**

The approach proposed by the Commission is to create rail corridors for freight based on good business cases. This means that the identification of these axes will be done by evaluating the existing and potential traffic flows, by assessing the needs of freight operators in terms of infrastructure and services and the socio-economic impact of the measures to respond to these needs. It means that corridors should represent a balanced and rational response to clearly identified business needs.

Therefore, the proposed regulation foresees that Member States and infrastructure managers will build business cases and have them endorsed at Community level. The endorsement process will allow the Community to assess the robustness of the proposed corridors and their coherence vis-à-vis other initiatives such as the TEN-T programme.

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<sup>1</sup> Source: UIC.

<sup>2</sup> COM(2008) 536 final

<sup>3</sup> European Rail Traffic Management System

- **Pursuing three objectives : stronger coordination, better treatment of freight, connexion to other modes of transport.**

For each corridor the Commission proposes provisions that would lead to improvements in terms of:

- European integration of rail infrastructures by strengthening coordination between infrastructure managers on management and investment matters;
- Balance between passenger and freight traffic on important axes by giving adequate capacity and priority to freight and making that choices will become more and more driven by socio-economic considerations and not only by political reasoning;
- Intermodality by developing and making access to terminals more efficient.

The Commission is aware that these proposals are only part of the response to the need to revitalise rail freight. The effective restructuring of the incumbent undertakings, greater exposure of rail freight to competition, and greater innovation in the sector, which needs to find new models more in keeping with the requirements of modern logistics, remain essential for the revitalisation of a sector which Europe needs.

- **A better contribution from rail to sustainable growth**

At the end, the setting up of such corridors will contribute to the creation of a single multimodal transport market. Furthermore, it will be a key element for the revitalisation of rail freight transport and the development of a sustainable and efficient multimodal transport system in Europe. It will help rail operators to compete with other modes on market segments on which rail transport has a role to play and often is needed to avoid congestion or other external impacts of transport.

Lorries use motorways. Freight trains will have their corridors.