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Dear Ministers,

Dear Members of the European Parliament,

Dear colleagues,

Ladies and gentlemen,

A few days ago the new EU Commission has started its five year mandate. As a representative of the European rail industry I would like to express my congratulations, in particular to the new Commissioner for Transport, Mrs. Violeta Bulc.

Cooperation between the new EU Commission and the European rail industry will be crucial for enhancing the mobility for citizens, logistics for business and maintaining Europe's position as a world leader in the rail industry.

Just 6 weeks ago, during the InnoTrans 2014 trade fair in Berlin, the latest developments, the most important innovations, and exciting new rail solutions were proudly presented to the public.

It could be observed that European rail players are still the global technology leaders. But the gap is closing.

It could be clearly seen that the European railway industry is facing ever stronger competition from companies based in emerging markets, especially Asia.

Maintaining and improving the competitiveness of the European railway industry must therefore be a priority, in order to secure jobs and to have a safe, efficient, environmentally friendly and sustainable mode of transport. However, there are still a number of obstacles to be hurdled in order to make our sector even more efficient and make it more attractive in competition with other modes of transport.

Authorisation

The rail industry in Europe has suffered and continues to be held back by time consuming and costly authorisation processes, mainly due to very bureaucratic national procedures. It can take up to two years to get an authorisation for a locomotive, and this is not acceptable for the competitiveness of our sector.

We are therefore satisfied to see that there is broad consensus from rail stakeholders and EU institutions calling for a quick adoption of the Technical Pillar of the 4th Railway Package, in order to make authorisation procedures easier, faster and more harmonised across EU Member States.

Streamlined and more efficient authorization procedures are needed to get rail products to market more quickly and to improve the competitiveness of our industry – not only in Europe but also in the global market. Making ERA the one-stop-shop for rolling stock authorisation for cross-border journeys is just logical.

Interoperability

Interoperability is the key concept for the Single European Railway Area and a modern European rail system capable of moving people and goods smoothly across borders in Europe and beyond. Only in an interoperable Single European Railway Area, in a Europe without borders, can rail unleash its full potential over long distances, contributing to the fight against climate change, the reduction of pollution and ease the pressure on the overburdened European road system.

However, let's be honest: we still have a long way to go to achieve interoperability. 16000 national rules in Europe make it very difficult to turn the interoperability concept into reality. Just to refer to specific examples, I wonder why trains have to stop at borders whereas cars, buses and trucks don't. Too often the reason seems to be related to different national rules.

When it comes to interoperability, I have to mention **ERTMS**, developed by the European Commission and the industry.

Currently there are more than 20 train control systems across the European Union. Each train used by a national rail company has to be equipped with at least one system but sometimes more, just to be able to run safely within that one country.

Simply this is why Europe needs ERTMS.

ERTMS is designed to replace the myriad of different national train control and command systems in Europe. The deployment of ERTMS will enable the creation of a seamless European railway system and increase the competitiveness of European railways.

The paradox of ERTMS is that it is more popular outside of Europe than within Europe – despite that “E” standing for European. Some European countries (Denmark, Austria, Belgium, Italy...) are continuously introducing, extending and implementing ERTMS in their network. Other countries, like France and Germany, are somewhat slow in deploying ERTMS but we are all confident that this pace will change in future years.

Energy goals and necessary political measures

In addition, increasing efficiency and attractiveness of rail transport can furthermore contribute substantially to achieving the post 2020 climate and energy goals – this contribution however is only feasible if the political and legal framework is set.

The European Union cannot achieve its energy and climate goals without taking decisive measures to decarbonise transport and make it less reliant on imported fossil fuels.

I would like to stress that policy makers should therefore ensure that measures are taken quickly to support growth in the railway sector while avoiding the creation of new costs or barriers to such growth. Among these measures are

- 1) The formal confirmation in legislation of the 60% reduction of transport emissions by 2050 outlined in the 2011 White Paper on Transport**
- 2) Reforms to the EU Emission Trading System so as to ensure fair treatment between all transport modes**
- 3) New support measures to incentivise a shift to less polluting modes of transport and less polluting vehicles within modes**

We therefore urge the current Italian and the upcoming Latvian presidencies and the European institutions to implement these measures and also to finalise the dialogues to make the 4th Railway package technical pillar happen!

And of course we are counting on the new Commission to actively support this process as well!

Shift2Rail

But not only is political support and action needed, the rail sector as well must prepare for a rapid and substantial evolution. To stay in the lead, we, the European rail industry, are taking cooperation with each other to a new level.

To this end we have to think differently about our value propositions, continuously develop innovative solutions as well as improve existing products and services, identify missed customer segments, and look into technologies and services developed in other sectors that can be a source of inspiration for brand new products and business concepts.

The tool to make this true is called **Shift2Rail**. The European rail sector as a whole – big and small players, manufacturers, operators, infrastructure managers – is joining forces together with research centers and academia and the vital contribution of the European Commission. Let me take this opportunity to thank once again DG MOVE for the fruitful cooperation in the preparatory phase in the past two years – to achieve precise targets to increase capacity and reliability of rail journeys (for passengers and freight) and at the same time reduce life cycle costs.

After the long and sometimes difficult preparatory phase, the Shift2Rail Joint Undertaking has become fully operational, with all measures in place to start concrete research activities in the second quarter of 2015.

This initiative will result in increased user satisfaction with Europe's railways, while at the same time reducing their cost and strengthening the global competitiveness of the European rail supply industry – and we can't wait to see the results of so many years of preparation and hard work.

By defining long-term priorities which are commonly agreed by the EU and key private actors of the European Rail Sector, the Shift2Rail Master Plan is the basis for a better cooperation between research and innovation stakeholders and decision-makers. It will provide the right framework for the European rail industry to anchor their research and innovation investments in Europe.

Moreover, the definition and implementation of a common research and innovation agenda, in close cooperation with all market players, will ensure the economic benefit, quality and relevance of future research and innovation projects, thereby facilitating the commercial exploitation of research results.

This public private partnership, which will invest 920 Million EUR in railway research and innovation from 2014 to 2020, is an integrated and coordinated approach. It will help to make rail research and innovation funding across the EU more efficient, coherent and less risky, thanks to the sharing of financial, human and infrastructure resources, leading to economies of scale and reduced costs for all partners involved.

In addition, the recently launched Connecting Europe Facility (CEF; €10 Billion) will contribute to the development of the single European railway market.

Shift2Rail will have to ensure that tested and validated solutions emanating from its activities can be taken up for further funding under the CEF.

CONCLUSION

In summary, we can say that the Technical Pillar of the 4th Railway Package is the foundation of our industrial and competitive footprint in the European railway market. The Technical Pillar calls for concrete innovation.

With Shift2Rail the European railway industry is taking leadership in advancing railway technology to a next level and making rail transport more attractive in Europe and worldwide.

The following, however, must be ensured in order to achieve our common goals:

- **Shift2Rail receives a high level of attention from its stakeholders - the founding members would also like to encourage applications of candidate associated members (closing date for applications 12 November)**
- **The Italian and Latvian Presidencies and the Council have to adopt the Technical Pillar together with the European Council, Parliament, and the Commission**
- **Member States and rail stakeholders should work together to make the best possible use of EU funds currently available for the rail sector.**
- **The EU implements binding measures on its climate and energy goals**

We are at a turning point in the European rail industry where the successful steps of the recent past must be converted into the realisation of projects which will transform the mobility in Europe – across the continent, within each country, and for urban areas in particular.

As a representative of the European rail industry, I can say that we look forward to working with the new European Commission and the European Parliament, in particular its Transport Committee, for better rail transport in the future.

Thank you for your attention.