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*'Competitiveness is more likely to be achieved by making rail more effective than by imposing restrictions on other modes'*

## Stop chasing a chimera

**T**ransport needs to serve people, and must be centred towards the needs of people' emphasised European Transport Commissioner Violeta Bulc in her keynote address to the European Railway Award in Brussels on January 21 (p24). Barely two months into her role and still relatively new to both the transport sector and European politics, it seems that she has grasped the significance of transport in supporting economic competitiveness and prosperity in today's global marketplace.

With the Eurozone struggling to address the impact of the financial crisis on its weaker members, and sluggish growth in the larger countries, countless different industries are keen to make the case for investment in 'their' sectors to stimulate economic activity and employment. At the same time, Europe faces growing competition from other continents, as a glance at the many Chinese stories in this issue will attest.

As Chairman of the Community of European Railways, ÖBB Chief Executive Christian Kern has repeatedly been emphasising the value of investing in railway infrastructure, as he did at our European Rail Summit in November (RG 12.13 p3). Warning on January 21 that 'in the last 12 months we have been confronted by a new competitive landscape', Kern suggested that the sector 'needs to adapt', with further integration of the European rail industry. Like others, he is frustrated that little progress has been made with the Fourth Railway Package over the past 12 months, and he urged the European institutions to fast-track the technical pillar (p23).

Like many railway executives before him, and no doubt more to come, Kern is worried by the disparity between the financial, safety and regulatory regimes applying to different modes. 'Inter-modal competition is not taking place on a level playing field', he thundered, suggesting that 'massive market distortion is taking place' and calling for this to be addressed in the forthcoming mid-term review of the European Commission's 2011 transport white paper.

In reality, though, it seems unlikely that governments of any political persuasion will be willing to impose significant curbs on the use of road transport, simply because of the potential impact on their national economic competitiveness. With road haulage typically responsible for anything from 60% to 90% of most countries' freight movement and 85% or more of passenger travel, no-one wants to be the first to clamp down hard. There may be tinkering around the edges, tightening safety rules and regulations on drivers' hours, but the effectiveness of such measures depends on how far they are enforced. And past experience is not encouraging.

For all the fine words about environmental awareness, and the impassioned pleadings of Green politicians such as MEP Michael Cramer about the need to reduce transport emissions, it seems that little is really being done to encourage modal shift. Last month's sharp fall in oil prices will inevitably make it tougher for rail to compete with road and air, while thanks to the economies of scale the automotive and aviation industries continue to make steady progress with the development of low-emission engines and hybrid vehicles. UNIFE Chairman Lutz Bertling has repeatedly pointed out that 'rail is by far the biggest provider of e-mobility', but the message seems to be falling on deaf ears.

Realism suggests that the level playing field may never be reached. Inter-modal competitiveness is more likely to be achieved by making rail more effective than by imposing restrictions on other modes. Suggestions of harmonising rail costs and working conditions with the historic incumbents rather than their best-performing competitors, as touted in France for example, would only make the situation worse. Productivity and efficiency need to be the order of the day.

There is evident frustration across the sector about slow progress implementing the EU-funded Shift2Rail research initiative. Insiders report that the first calls for associate partners and projects are running up to five months late, yet there is an appetite among the railways to get going.

Nevertheless, there is much that they can do already. Last year's Project Marathon trials with longer freight trains offered an encouraging example of how to improve efficiency using existing assets, which could be implemented almost immediately with a few tweaks to some operating rules. CER members may complain about the 16 000 national rules hampering cross-border operation, but how committed are they to working with the European Railway Agency to standardise, simplify or eliminate them, or to press their stakeholder governments to do so?

Cynical observers might suggest that the larger incumbents want to shift the focus to inter-modal competition in order to divert attention from liberalisation and on-rail competition. But as Bulc made clear, the underlying driver for opening up the rail market is all about increasing the focus on the end customers, both passenger and freight. A key role of this journal is to share best practice around the world, in order to stimulate progress and strengthen the rail mode. Much of the innovative thinking displayed by new entrants is equally applicable to established operators, if only they are willing to engage. Where there's a will, there's a way. ■



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