

UNIFE position paper on the stocktaking review of the Transport White Paper

Introduction

The Transport White Paper, published by the European Commission in 2011, outlined the vision for EU transport policy for the next ten years including perspectives up to 2050. The roadmap elaborated by the European Commission highlighted a number of challenges that are still more than relevant four years later, such as oil scarcity, increasing competition, congestion and market opening. In light of these challenges, the document emphasised the role of rail in meeting EU targets for the decarbonisation of the transport sector and the establishment of a single European transport area.

UNIFE welcomes the ongoing review process launched by the European Commission as a useful opportunity to take stock of the progress made to achieve the ambitious objectives set in 2011 and identify corrective actions for issues that have not been properly addressed thus far.

UNIFE would like to take this opportunity to reaffirm its full support for the targets set by the European Commission in 2011, in particular those related to modal shift to sustainable transport modes to achieve a reduction of at least 60% of GHGs by 2050 with respect to 1990, notably:

- 30% of road freight over 300 km should shift to other modes such as rail or waterborne transport by 2030, and more than 50% by 2050, facilitated by efficient and green freight corridors. To meet this goal will also require appropriate infrastructure to be developed.
- By 2050, complete a European high-speed rail network. Triple the length of the existing high-speed rail network by 2030 and maintain a dense railway network in all Member States. By 2050 the majority of medium-distance passenger transport should go by rail.

1. Success stories of EU's transport policy

Following the publication of the 2011 Transport White Paper, the rail sector has made significant progress on a number of areas with the help of the EU, in order to meet the environmental and modal shift targets set by the European Commission.

The European Rail Traffic Management System (ERTMS)¹

As the EU seeks to shift passenger and freight traffic away from roads, an efficient, interoperable and attractive rail system is essential. ERTMS (with its two main subsystems the European Train Control System (ETCS) and GSM-R for the telecommunication aspects) is one of the key enablers of the Single European Railway Area.

¹ <http://www.ertms.net/>

As a unique global signalling system, ERTMS facilitates cross-border traffic operations and its specifications provide full interoperability. Nowadays, the ERTMS/ETCS specifications allow a compliant train to run safely and reliably on any ERTMS-equipped line, independent from the signalling system manufacturer. This enables seamless international traffic, and also encourages competition.

Deploying ERTMS on a full European corridor will allow for an overall cost reduction for the operator as only one signalling system will be needed to be installed on-board, compared to the multiple systems necessary today due to legacy systems. This significantly reduces the costs of the global signalling equipment whilst allowing for the reduction of maintenance costs, not to mention an increase of both the network capacity and safety of the whole railway system.

UNIFE statistics (December 2014) show that almost 76100 km of railway tracks and nearly 9500 vehicles are already running or contracted to be equipped with ERTMS worldwide. Europe's share in trackside investment is 55%; nevertheless significant investments have been on-going in Asia (31% of the total ERTMS trackside investments) and in Africa and the Middle East (11%). The latest statistics also demonstrate that there is a constant, stable rate of increase in ERTMS investments in Europe. Smaller Member States are continuously introducing and extending the deployment of ERTMS on their network.

UNIFE welcomes the ERTMS Breakthrough Programme, led by the European Commission that puts forth a number of actions for speeding up the deployment of ERTMS to be undertaken by all actors at the European and Member State level. The European rail manufacturing industry is committed to continuing to deliver, in cooperation with the ERA and the Users, an ever-stable system, for a standard that is becoming increasingly global.

Shift2Rail

In its 2011 White Paper, the Commission underlined the importance of creating a Single European Railway Area in order to achieve a more competitive and resource-efficient European transport system.

The Shift2Rail Joint Undertaking² is the rail sector's concrete answer to the above-mentioned ambitious modal shift targets. It is a new public-private partnership, established under Horizon 2020, to provide a platform for the coordination of research activities with a view to driving innovation in the rail sector in the years to come for a global budget of € 920 million co-financed by the European Commission and the European rail sector (including suppliers, operators, infrastructure managers, rail clusters, academia and research institutes).

Rail research conducted within Shift2Rail must contribute to addressing the challenges faced by the rail sector, through a comprehensive and coordinated approach to research and innovation that focuses on the needs of the rail system and of its users. Moreover, the technologies developed within Shift2Rail are meant to be as close as market as possible; allowing for quick uptake into the existing rail system.

² <http://www.shift2rail.org/>

Shift2Rail will make rail a more attractive transport mode for both passenger and freight contributing to:

- Cutting the life-cycle cost of railway transport (i.e. costs of building, operating, maintaining and renewing infrastructure and rolling stock) by as much as 50%;
- Doubling railway capacity;
- Increasing reliability and punctuality by as much as 50%.

The work conducted within the Shift2Rail framework will be structured around five asset-specific Innovation Programmes (IPs), covering all the different structural (technical) and functional (process) sub-systems of the rail system, namely:

- IP1: Cost-efficient and Reliable Trains, including high capacity trains and high speed trains;
- IP2: Advanced Traffic Management & Control Systems;
- IP3: Cost-efficient and Reliable High Capacity Infrastructure;
- IP4: IT Solutions for Attractive Railway Services;
- IP5: Technologies for Sustainable & Attractive European Freight.

Shift2Rail will impact all segments of the rail market: High Speed/Mainline, Regional, Urban/Metro & Suburban, and Freight and make daily life easier for millions of European passengers and rail freight users.

The Shift2Rail Regulation was formally approved by the Council of the European Union on 16 June 2014, following the positive opinions of the European Parliament and of the European Economic and Social Committee.

UNIFE has coordinated the preparatory phase of Shift2Rail since 2011 and looks forward to a quick setup of the Joint Undertaking and kick-off of research activities in order to implement the actions needed to make rail an even more attractive transport solution for passengers and freight.

High Speed Rail

According to the 2011 Transport White Paper, the European high-speed rail network should be completed by 2050, its length should be tripled by 2030 and a dense railway network should be maintained in all Member States.

In recent years, indeed high speed trains have led to a greater modal share of rail travel due to shorter travel times for European passengers. Increasingly, flights are only favourable on very long distance continental services, as a result of the necessary travel time getting to and from airports, as well as security checks, check-in and baggage collection time.

As witnessed in several examples across the EU, connecting high speed trains to airports and local public transport will further boost the competitiveness of rail transport. With the introduction of high-speed rail systems, a fundamental shift in passenger volumes to more eco-friendly rail services has been witnessed.

Paris – Brussels

Percentage share before and after introduction of high-speed trains



Madrid – Seville

Percentage share before and after introduction of high-speed trains



The above examples show that High Speed is indeed a main driver of passenger modal shift from aviation and road to rail. However, as shown in the map below the European HS network is far from being completed and major investments will be needed in the coming years, especially in order to bridge the infrastructure gap between Eastern and Western Europe. For this to happen, an optimal use of existing EU funding opportunities will be essential.



2. Issues that need to be further addressed

Single European Railway Area - Authorisation of rolling stock

The complex and expensive authorisation procedures for rolling stock in Europe is one of the heaviest burdens on the rail sector and currently is responsible for immobilising assets worth € 1.2 billion. Therefore, it is seen by UNIFE as the most urgent problem to be solved for the interoperability and competitiveness of the European rail system, as individual national authorities continue to work in very different legal and regulatory environments.

The Technical Pillar of the Fourth Railway Package is extremely important for the European rail industry as it addresses this important issue by giving ERA a central role as a one-stop-shop for authorisation for international rail transport.

UNIFE enthusiastically welcomed the Technical Pillar of the Fourth Railway Package when it was published in January 2013, and applauded the progress made on the Technical Pillar in the Council and the European Parliament which made it possible to begin the triologue discussions as early as June 2014. During the second semester of 2014, however, this pace was not maintained, and the triologue discussions between the Council, the Parliament and the Commission on the Technical Pillar started very slowly.

Given the importance of the Technical Pillar of the Fourth Railway Package in creating the strong home market that the European Rail Industry needs to continue to thrive globally, UNIFE hopes that the European institutions will reach a swift agreement and will adopt the Technical Pillar during the first half of 2015.

Absorption of EU funds

The low absorption of European funds, in particular the Cohesion Funds, in some Central and Eastern European Member States remains a strong concern for UNIFE. Several Member States are not investing the available funds efficiently into railway projects, leaving their rail infrastructure in a state of dramatic underinvestment. This is often due to a lack of administrative knowhow or capacity in the countries concerned or to a lack of political will and/or governmental stability. UNIFE and its National Associations support best-practice exchanges between decision makers in these Member States and the relevant infrastructure managers, railway operators and supply companies on this issue.

Therefore, appropriate measures should be taken to create the adequate conditions for all European Member States to effectively absorb available EU funds for use in rail transport projects. This would include flexibility to allocate Structural Funds not only to infrastructure but also rolling stock projects.

Rail freight

In its White Paper of 2011, the Commission stated that “30% of road freight over 300 km should shift to other modes such as rail or waterborne transport by 2030, and more than 50% by 2050, facilitated by efficient and green freight corridors. To meet this goal will also require appropriate infrastructure to be developed”. However, there is a wide consensus among EU rail stakeholders and decision makers that rail freight is not as efficient as it could be, despite being a key factor to attaining the ambitious targets set in the Transport White Paper. Plenty of

technical and regulatory barriers within Europe, such as lengthy authorisation procedures for rolling stock or insufficient cross-border cooperation in traffic management are negatively impacting the competitiveness of rail freight vis-à-vis other transport modes.

The revitalisation of rail freight is therefore closely linked to the success stories and failures listed above: interoperability, innovation, and streamlined authorisation processes. Moreover, the better use of existing EU funds would definitely make rail freight a more attractive solution. In this respect, UNIFE agrees with the Commission that Rail Freight Corridors have to attract customers through continuous development in terms of standards, interoperability and capacity, paving the way for improved quality of rail freight services across Europe that address customer needs.

Full integration of transport in EU climate & energy policies

The actions listed in the 2011 Transport White Paper were formulated with the ultimate goal to achieve a 60% reduction in CO₂ emissions in the sector by 2050. Indeed, the transport sector accounts for around a third of EU greenhouse gas emissions, with 30% of total CO₂ emissions from the EU in 2009. While greenhouse gas emissions in other sectors decreased significantly between 1990 and 2009, emissions from transport increased 34% during the same period. To reach the White Paper's ambitious objectives, the transport sector needs to be decarbonised, which clearly calls for additional policy instruments to encourage the development of sustainable transport such as railways.

Against this background, the 2030 Framework for EU Climate and Energy Policies is a unique opportunity to acknowledge that transport should actively contribute to the fight against climate change, and to translate the sustainability objectives of the White Paper into legislation. In particular, UNIFE calls for the following actions:

- A formal confirmation in legislation of the 60% reduction of transport emissions by 2050 compared to 1990 levels with an additional binding target for 2030;
- A comprehensive study and a dedicated impact assessment on policy options to include transport fossil fuels into the EU ETS, and on policy options that would have an equivalent effect;
- Reinforced policy and funding mechanisms for sustainable transport, including a binding commitment from all Member States based on a minimum percentage of the use of revenues from the auctioning of EU ETS allowances in order to fund rail transport, or the full integration of transport in energy savings schemes of future legislation on Energy Efficiency;
- Stronger incentives for less polluting modes of transport and less polluting vehicles within modes, in particular with new support measures for the electrification of surface transport based on an expansion of electrified rail transport in combination with optimised inter-modal connections with private electric road vehicles and their recharging infrastructure at appropriate locations.

3. White Paper 2011: priority actions

In the context of the ongoing stocktaking review of the Transport White Paper, UNIFE would like to highlight the need to confirm the actions listed in the 2011 Transport White Paper

without reducing the level of ambition in terms of sustainability. In this respect, UNIFE has identified the following priority actions:

1. A true internal market for rail services

The implementation of a true internal market for rail services and the realisation of a truly interoperable Single European Railway Area are indeed top priorities in order to make rail a more attractive transport solution for passengers and goods and reaffirm the worldwide competitiveness of the European rail industry. In this respect, UNIFE would like to highlight again that urgent actions are needed in order to achieve a single vehicle type authorisation and a single railway undertaking safety certification by reinforcing the role of the European Railway Agency (ERA). The Technical Pillar of the Fourth Railway Package is intended to address exactly this issue, therefore UNIFE insists on the need to adopt the Technical Pillar of the Fourth Railway Package during the first semester of 2015.

24. A technology roadmap

Following the publication of the 2011 Transport White Paper, the European rail sector has been actively working to make a concrete step-change in research and innovation in order to increase the attractiveness of rail transport. The result of such a joint effort is the above mentioned Shift2Rail Joint Undertaking.

As a first and immediate priority, UNIFE looks forward to a quick kick-off of rail research activities in order to achieve concrete results for European citizens as soon as possible.

In a medium/long term perspective, UNIFE calls on the European Institutions to investigate, additional funding for Shift2Rail, in particular for deployment activities (for example with the Connecting Europe Facility).

In a long-term perspective, UNIFE calls on the Commission to adopt an integrated sectoral EU Strategy for the rail industry aimed at providing favourable business conditions to ensure maintaining a strong innovative and competitive rail manufacturing base in the EU. Internal market, internationalisation and market access, innovation and SMEs would ideally be the key pillars of such a comprehensive strategy.

Moreover, UNIFE will follow with interest the upcoming initiatives of the European Commission on the digitalisation of the rail sector in the context of the EU digital single market.

31. Urban mobility plans

While UNIFE acknowledges that urban mobility is to a large extent subject to the subsidiarity principle, an urban agenda, as proposed by the European Commission, could be useful to promote the exchange of best practices (for example on urban charging schemes or intermodal connections). However, an urban agenda can only be effective if adequately backed by financial support from the European Commission.

The main rationale for an EU urban agenda is the need to align plans and initiatives developed at urban level with the current EU agenda and objectives. Possible examples include modal shift from road to rail transport advocated in the EU Transport White Paper of 2011 and the EU climate objectives. Ideally it should help with aligning regional and urban objectives with those

set out at EU level, addressing sustainable mobility, congestion and connections between different transport modes in urban areas.

When it comes to possible technological solutions, UNIFE would like to reaffirm that rail remains by far the largest provider of e-mobility. In addition to the clear environmental benefits, rail-bound solutions also lead to reduced congestion in cities and should therefore be the starting point of future urban mobility policies.

35. A core network of strategic European infrastructure – A European mobility network

37. A new funding framework for funding infrastructure

The two White Paper actions listed above are clearly linked to each other.

At the end of 2013, UNIFE welcomed the adoption of the revised TEN-T guidelines and its related financial tool, the Connecting Europe Facility. The new TEN-T Guidelines are based on a dual layer approach, consisting of a core network and a comprehensive network. The core network will be the main part of the network eligible for EU co-financing. The rail industry supports the provision for full electrification and ERTMS equipping of the infrastructure on the comprehensive network by 2050.

UNIFE believes that the available EU financial resources should be used in the best possible way. The low absorption of European funds in some of the newer Member States of the EU remains a strong concern for UNIFE. Several Member States are not investing the available funds efficiently into railway projects, leaving the rail infrastructure and rail transport in a state of dramatic underinvestment.

Moreover, UNIFE will closely follow the implementation of the € 315 billion investment plan presented by European Commission President Jean-Claude Juncker on 26 November 2014. In particular, UNIFE is heavily concerned over the consequences that the establishment of EFSI can have on the CEF budget. After the lengthy negotiations that led to the approval of the CEF Regulation back in 2014, which heavily cut CEF budget compared with the initial EC proposal, now the CEF Transport budget could be cut again by more than 10%. For a sector like ours – where public grants will remain of vital importance – this is all the more worrying as the Commission’s proposal explicitly states that “grant financing from the Connecting Europe Facility (...) will be reduced”.

Another major point of concern for the rail sector is that the funds taken from CEF Transport will be reallocated to the EFSI without any earmarking in favour of transport projects, in particular for rail.

Lastly, UNIFE invites the EU Institutions and the European Investment Bank (EIB) to ensure that the EFSI spending as well as future job-creating programmes will be in line with the ambitious environmental and modal shift objectives set in the 2011 White Paper on Transport.

40. Transport in the world: the external dimension

Today, the European rail industry is an important European employer and a strategic sector for EU competitiveness worldwide. The European rail industry accounts for over 400.000 jobs in Europe and an estimated 355.000 households depend on the industry. European rail suppliers diversify their manufacturing, R&D, sales and administrative facilities in various countries across Europe while generating jobs all over the EU (Germany: ≈ 50000; France: ≈ 26000; Romania: ≈

25000; Spain: ≈ 25000; Czech Republic: ≈ 22000; Italy: ≈ 19000; Poland: ≈ 19000; Sweden: ≈ 10000 etc.). The European rail industry provides 84% of the EU market for rail supplies and services, and it is also a top exporter on world markets since it accounts for nearly half of the world market.

UNIFE supports an ambitious public procurement and investment agenda for the EU's trade policy, in particular with countries that are reluctant to open their markets to international competition. In this respect, ongoing negotiations such as the EU-Japan FTA, the Transatlantic Trade and Investment Partnership (TTIP) with the United States and the EU-China Investment Agreement should be accelerated to provide a fair business environment and prevent further closing of markets.

A comprehensive and coherent EU strategy should be defined in order to tackle the lack of level playing field in public procurement at the international level. This should include strengthening and increasing awareness of contracting authorities on the existing legal framework designed to gain leverage on international trade partners, and by closely monitoring foreign investments in the EU and the use of EU funds.

Multilateral agreements such as the WTO Agreement of Government Procurement (GPA) or the OECD Arrangement on Export Credits and its new Rail Sector Understanding should be actively promoted towards international trading partners to achieve a level-playing field on both market access and export conditions.

European standardisation activities in the field of railways should be pursued and intensified, and European standards abroad should be promoted more actively in order to boost the competitiveness of the EU industry.

4. Conclusions

In the context of the stocktaking review of the Transport White Paper, UNIFE would like to stress the need to keep a high level of ambition by confirming the target of 60% reduction in transport GHG emissions by 2050 as well as the modal shift objectives. Therefore, UNIFE would like to highlight the following points:

- The objective of the mid-term review should not be to re-discuss the targets and policy priorities set in 2011, but to increase and streamline the efforts to meet them.
- Initiatives aimed at re-launching the EU competitiveness should take into account the White Paper objectives and, in particular, of rail's environmental credentials.
- R&D initiatives should aim at increasing the attractiveness of rail transport and at the same time support the leading role of the European rail industry in light of increasing competition.
- The lack of level playing field in the global rail market is an outstanding issue and should play a key role in ongoing and future EU trade negotiations.

For further questions, please contact

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About UNIFE

UNIFE represents the European Rail Industry in Brussels since 1992. The Association gathers around 80 of Europe's leading large and medium-sized rail supply companies active in the design, manufacture, maintenance and refurbishment of rail transport systems, subsystems and related equipment. UNIFE also brings together 15 national rail industry associations from European countries. UNIFE members have an 84% market share in Europe and supply nearly 46% of the worldwide production of rail equipment and services.

UNIFE represents its members' interests at the level of both European and international institutions. On the technical side, UNIFE works on the setting of interoperability standards and coordinates EU-funded research projects that aim at the technical harmonisation of railway systems. The association is one of the supporting bodies of the European Railway Agency.

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