

GOING THE DISTANCE

How the European Rail Supply Industry contributes to boosting long-distance, cross-border & night service passenger rail in Europe



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About UNIFE

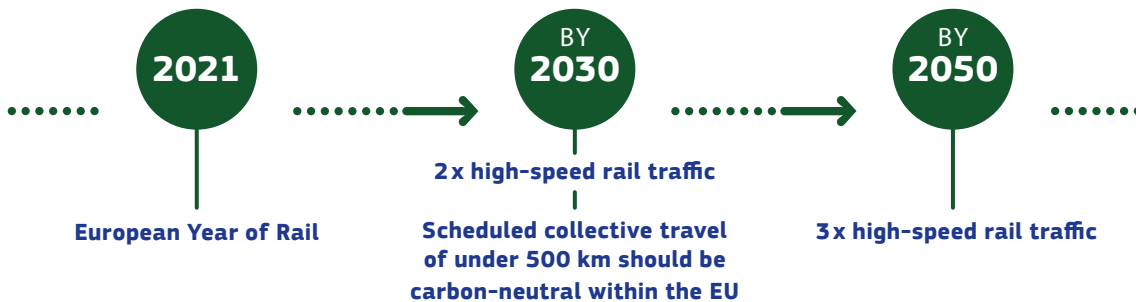
Based in Brussels since 1992, UNIFE is the association representing Europe's rail supply industry at the European Union and international levels. UNIFE's members include more than 100 companies – from SMEs to major industrial champions – active in the design, engineering and manufacture of rolling stock (i.e., trains, metros, trams, freight wagons) as well as rail signalling and infrastructure equipment. UNIFE also brings together the national rail industry associations of 11 European countries.



Introduction

The **European Union (EU)** has taken concrete steps towards climate mitigation in recent years. In 2019, the EU officially committed to making Europe the first climate-neutral continent by 2050 when it presented the **European Green Deal**¹. This ambitious undertaking asks key sectors and industries to massively reducing their carbon footprint. To address the transport sector’s carbon shortcomings, the EU launched the **Sustainable and**

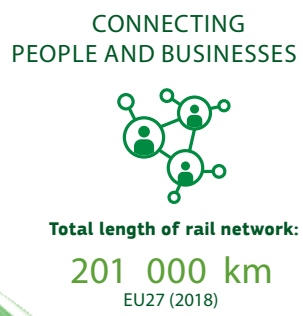
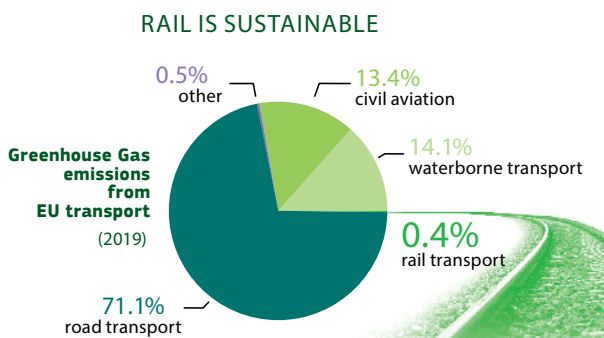
Smart Mobility Strategy² in 2020 to spur a **90% reduction in transport-related greenhouse gas emissions by 2050, in part by inspiring a modal shift to rail**. To realise this increased ambition, the **European Commission (EC)** presented the **Fit for 55** package³ proposals in July 2021, aiming to revise the entire EU climate and energy framework.



Following these two climate initiatives, the EC published four new initiatives last December as part of the **“efficient and green mobility” package**⁴. It promises to further contribute to the achievement of the transport greenhouse gas reduction target.

Most recently, the **EC Action Plan to boost long distance and cross-border passenger rail services**⁵ demonstrated the EC’s strong intention to position **rail transport** at the heart of their

efforts to green the Union’s mobility system. Rail is by far the most sustainable mode of transport as it accounts for less than 0.5% of mobility-related greenhouse gas (GHG) emissions. It has also managed to steadily improve its energy efficiency while increasing capacities. Given these attributes, rail must be considered an essential component of Europe’s efforts against climate change and capable of underwriting a sustainable economy and society for future generations.



BUT NOT YET REALISING ITS POTENTIAL

- Only 7%** of rail passenger traffic is cross-border
- 65%** decrease in night cross-border services (between 2001 and 2019)
- 1%** increase in total cross-border services (between 2001 and 2019)

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1 https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

2 https://eur-lex.europa.eu/resource.html?uri=cellar:5e601657-3b06-11eb-b27b-01aa75ed71a1.0001.02/DOC_1&format=PDF

3 https://ec.europa.eu/commission/presscorner/detail/en/IP_21_3541

4 https://transport.ec.europa.eu/news/efficient-and-green-mobility-2021-12-14_fr

5 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021DC0810&from=EN>

However, as it is noted by the Commission in the Action Plan⁶, the European rail network is still only partially realising its full potential as it still faces **numerous serious challenges**, especially as it works to expand cross-border, long-distance usage:

- Too low share of **international rail passenger transport** within the overall EU rail passenger market
- **Significant decrease of international passenger services supply/demand**. Over the past 10 years, the number of night train services fell by 65%, while the number of high-speed services increased by 95%
- Need to improve the **European passenger rail network**, as well as the broader **multi-modal transport system**
- **Persistence of technical and operational barriers** which hinder cross-border traffic and increase the costs
- Lack of sufficient **technical and financial support to boost suitable long-distance cross-border rolling stock**
- Absence of a clear overall **European skills strategy for the rail sector staff**
- **Need for a more user-friendly ticketing system and greater accessibility in the rail network**
- Limited promotion of and support of the **use of sustainable modes of transport among young people**
- Lack of a **real level playing field** with other modes of transport and promotion of a modal shift towards rail

The EC Action Plan outlines a clear roadmap with concrete actions to be undertaken within the next two years to tackle most of these challenges and make rail a much more attractive long-haul travel option for many Europeans travellers.

UNIFE welcomes the adoption of this far-reaching Action Plan which promises to be a great opportunity to increase the rail modal share in international passenger transport in the coming years. To mark the publication of such an important document, and at the occasion of the French Presidency, UNIFE wishes to further build on the most relevant issues identified by the European Commission in the Plan and present some concrete proposals to make the Action plan even more effective in the coming years.

In this brochure, UNIFE will thoroughly address the key issues for the Rail Supply Industry, as summarised below. Most of these key objectives have been also discussed in the framework of the *EC Expert Group on the competitiveness of the rail supply industry* and included in the recent mobility ecosystem transition pathway initiative proposed by the Commission. This initiative aims for a more resilient, sustainable and digital European mobility ecosystem which gathers the entire value chain for the automotive, rail and waterborne industries.

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<https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=COM%3A2021%3A810%3AFIN>

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7% of overall passenger-km, European Commission, Statistical pocketbook 2020.

Executive summary

— key messages and recommendations

Funding opportunities for suitable infrastructure and rolling stock

- ▶ The EC intends to allocate at least **70% of the total €25,8 bn CEF 2 transport envelope** to rail. Infrastructure, ERTMS and alternative fuels solutions are all eligible to receive funding.
- ▶ Implementing the **€55 bn allocated to rail** under the **Recovery Plans** will require strong coordination and efforts from Member States and relevant stakeholders.
- ▶ UNIFE calls on the EC to ensure that Member States allocate to rail at **least 50%** of the cohesion funding dedicated to transport. Overall, Member States have at their disposal a total of €300 bn of Cohesion Policy Funding for the 2021-2027 period to make Europe greener, smarter, and more connected.
- ▶ Our association expects reliable partners, such as the **EIB** and its new **Green Rail Investment Platform**, to contribute to leveraging much needed public and private investments for rail.

Interoperability and regulatory stability to support the full ERTMS roll-out

- ▶ UNIFE fully supports the acceleration of the ERTMS roll-out and removal of legacy (Class B) signalling systems, as proposed in the revision of the TEN-T Regulation.
- ▶ The European rail supply industry supports the **European Union Agency for Railways (ERA)** continuing and finalising the work with Member States on the elimination of national technical, safety and operating rules.
- ▶ Our association calls on the EC and ERA to carefully consider the economic impact of further **changes to the TSIs and plan for transition rules** in line with rail project and asset lifecycles.
- ▶ UNIFE calls on the EC, ERA and Member States to put in place a feasible **process for error-corrections** that does not impose unacceptable cost and project risk for suppliers and railways.

Digitalisation solutions to ease multi-modal door-to-door journeys

- ▶ UNIFE expects the upcoming EC proposal on **multimodal digital mobility services** (MDMS) to further enhance travel data access, availability and exchange.
- ▶ **Data availability, access and sharing** remain essential for the conclusion of fair commercial agreements between railway undertakings and third-party ticket sellers and for feeding passengers with real-time information.
- ▶ UNIFE calls for a consistent and harmonised European legal framework for the development of **Mobility as a Service** (MaaS), needed to further ease multimodal door-to-door journeys.
- ▶ The **2022 TAP TSI revision** needs to benefit the passengers by taking into account business-driven, and thus customer-oriented, return of experience from sector stakeholders.

Foster a European rail skills strategy

- ▶ UNIFE fully supports initiatives aiming to address challenges that accompany an **aging workforce** and prepares the sector to meet the **skills competencies needed for the jobs of the future**.
- ▶ We expect future policy initiatives to be fully aligned with the **outcomes of the STAFFER project and expect future initiatives** under the **Pack for Skills** umbrella to build upon its successes.
- ▶ Our association is committed to fostering cooperation and collaborative relationships needed to further **promote the image of the sector and attract new colleagues**, especially young people and women of all backgrounds.

Promote the level-playing field

- ▶ UNIFE expects the **Fit for 55 package proposals** notably, the revision of the EU Emissions Trading Scheme - **EU ETS** - and the Energy Taxation Directive - ETD) to ultimately foster the modal shift towards more sustainable mode of transport, like rail.
- ▶ We expect the ongoing **consultation on Guidelines on State aid for railway undertakings** to improve the sector's competitiveness and a level playing field in rail, thus facilitating a modal shift, cutting transport emissions and reducing road congestion.

Night trains as a sustainable, alternative mobility solution

- ▶ After years of diminishing service, **dozens of new night train lines are planned** for renewed operation in the near future.
- ▶ **Night trains and long-distance rail travel generate drastically less carbon emissions** than other modes on comparative lines.
- ▶ Shifting the 150 busiest intra-EU short-haul flights that currently have a train alternative under 6 hours to rail would **save approximately 3,5 million tonnes of CO₂e per year**.
- ▶ Rail only generates 0.4%⁸ of transport carbon emissions.
- ▶ Rail supply industry developing **next generation rolling stock** that enables a smooth modal shift to night trains

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<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021DC0005&from=EN>

Funding opportunities to make rail infrastructures and rolling stock fit for long distance services



As rightly indicated in the Action Plan, establishing new rail services including long distance and cross border operations will require massive investments in infrastructure, interoperability solutions such as ERTMS and suitable rolling stock. In this sense, it's worth highlighting the scope of the different EU funding programmes which can be used to support such investments.

- Firstly, the **Connecting Europe Facility (CEF)** has proved to be one of the most efficient programmes to support rail infrastructure investments on the TEN-T network. For the 2021-2027 programming period, the Commission has the intention to allocate at **least 70% of the total CEF transport envelope of €25,8 bn to rail**.
- This support will be essential to advance on the completion of the network withing the established deadlines between now and 2050, including cross-border missing links, where Member States are always more reluctant to invest. Furthermore, ERTMS both on board and trackside equipment is also an eligible activity to be supported from CEF. Additionally,

CEF can support, in some cases and making use of a blending mechanism⁹, the deployment of alternative fuels refuelling infrastructure on the rail network, which is a fundamental element to put more zero-emission rolling stock, like hydrogen or battery-powered trains, on the tracks, in those cases where electrification is not a viable solution from an economic point of view.

- Secondly, **Member States National Recovery Plans** to be financed under the **Recovery and Resilience Facility (RRF)** incorporate approximately **€55 bn for rail investments**, notably for the infrastructure sector but also for ERTMS and rolling stock. However, based on UNIFE calculations, only €5 bn will be used to acquire new rolling stock. Implementing these funding will prove challenging for Member States due to the fact that, as established by the RRF Regulation, investments and projects need to be completed by 2026. Therefore, it is more important than ever that Member States and the rail sector work together to deliver in an efficient manner.

⁹ The Alternative Fuels Infrastructure Facility (AFIF) is a new blending mechanism established under CEF to support or support Blending Operations, i.e. investments combining the use of grants and/or financial instruments from the EU budget and financing from the Implementing Partners (via a loan, debt, equity or any other repayable form of support).

- Thirdly, rail investments have been at the heart of **Cohesion Policy** for many years. During the 2014-2020 programming period, **Cohesion Policy funds injected €18 billion into rail projects** across the EU, representing 27% of their total transport sector investments. For the current programming session, which has suffered delays due to the impact of COVID and preparing the Recovery Plans it inspired, it is imperative that the Commission ensures that Member States allocate to rail at least 50% of the cohesion funding dedicated to transport. Overall, Member States have at their disposal a total of €300 bn of Cohesion Policy Funding for 2021-2027 to make Europe greener, smarter, and more connected. This is even more relevant when the rules governing these funds mandate that clear 30% of the budget is earmarked for climate action activities, where rail related investments count as a 100% contribution to tackling climate change. Lastly, it is important to note that all rail investments are eligible under the cohesion funds, including rolling stock under certain conditions.
- The support of financial entities, such as the **European Investment Bank (EIB)**, will continue to be essential to boost investments in the sector. As part of the new initiatives announced on 14 December by the European Commission on green and efficient mobility, the EIB also presented its **Green Rail Investment Platform**. This is conceived as a vehicle to deploy the EIB's technical and financial capacity and the EU financial instruments to explore viable business models and boost opportunities to finance rail transport. These operations are aligned with the EIB's ambition to become the EU Climate Bank and support our priorities communicated to the Bank during the revision of its Transport Lending Policy.



- On the one hand, for eligible projects with robust loan structure, EIB can finance up to 50% of the project costs, offering loan tenors that match the life of the assets at attractive interest rates. On the other hand, eligible projects with high credit risk profile may benefit from a Union guarantee under InvestEU, whose total budget amount to €26 billion. Therefore, the Commission and the EIB will work to actively seek eligible pilot projects to acquire rolling stock. Continuing the positive trend whereby the EIB supported rail investment in the Union with almost €17 billion of loans - of which over €8,7 billion is intended for rolling stock, including projects for retrofitting and upgrading with ERTMS -, can yield very promising results.

Rail is a sustainable and digital transport solution that will help decarbonise European mobility and acts as the backbone of its next generation network. To create a system capable of appealingly transporting passengers all across the EU, rail financing must be mobilised to fill gaps and introduce reliable technology while avoiding costs and bureaucracy that create delays.

Interoperability and regulatory stability to support the full ERTMS roll-out



To fully reap the benefits of the **Single European Railway Area (SERA)**, the implementation of the existing Union regulatory framework which will ultimately lead to harmonisation of rules and greater market accessibility remains necessary. To that end, UNIFE welcomes the EC decision to acknowledge the full roll-out the **European Rail Traffic Management System (ERTMS)** as the key priority to deliver benefits for long-distance passengers.

In recent years, UNIFE has been actively calling upon the European Commission to put in the place **a number of measures related to ERTMS which today appear in the Plan as priorities:**

- Remove any **remaining operational and technical barriers** arising from the use of different systems which are still hindering cross-border traffic and leading to increased costs. The existence of national rules or functionalities has hampered the full realisation of ERTMS' benefits for too long.
- Accelerate ERTMS' roll-out in the TEN-T Regulation revision by a decade, from **2050** to **2040** for the comprehensive network and newly introduced 'extended core network', and to **2030** for the core network. UNIFE welcomes the EC decision to fully deploy ERTMS on the entire TEN-T network by 2040. This date will be a key milestone as we attempt to reach the EU's climate ambitions by 2050. Particularly, UNIFE applauds the requirement included in the TEN-T proposal of deploying ERTMS Level 2 and 3 on all line upgrades and new lines on the TEN-T Network from 2026 onwards. We believe this is the right step towards ensuring ERTMS becomes the backbone of a digital rail system.
- Quicken the removal of **legacy (Class B) signalling systems** and **national operational rules** and further develop deployment plans for the implementation of **Technical Specifications for Interoperability (TSIs)** to ensure coherence across borders. UNIFE welcomes the TEN-T Regulation revision proposal to establish 2040 as the deadline for decommissioning class B systems throughout entire TEN-T network. However, UNIFE also stresses the need for strong coordination between Member States during the so-called decommissioning phase to avoid any fragmented scenarios. Additionally, UNIFE requests more clarification on the non-TEN-T parts of the network, where class B systems are expected to coexist with ERTMS.



- Support **Europe's Rail Joint Undertaking's System Pillar**, which is expected to play a key role in promoting faster and coordinated deployment of innovation solutions. UNIFE has been actively involved in the preparatory phase of the programme's System Pillar which will be responsible for delivering both a high-level rail System Architecture for the European rail system and a more detailed architecture for the **Control-Command Signalling (CCS)** sub-system.



- Empower the **European Union Agency for Railways (ERA)** to finalise the work with Member States on the elimination of national operational, technical and safety requirements that were already harmonised at the EU level. UNIFE is - and has always been - a strong supporter of the **Fourth Railway Package's** Technical Pillar, which is by far the largest and most complex legal initiative introduced so far to gradually opening rail markets and making national railway systems interoperable across the EU. Its full implementation remains of paramount importance for the European rail supply industry's future competitiveness.

While the rail supply industry is fully supportive of the goals set in the Sustainable and Smart Mobility Strategy (SSMS), and the expected ambition to accelerate the realisation of the TEN-T with the new proposed targets and requirements, **UNIFE is extremely concerned by the negative impact the current regulatory instability** created by a too frequent revision of Technical Specifications for Interoperability (TSIs), which creates serious risks on the economic viability of long-term investments in the sector. Providing a clear and reliable planning for TSI evolution and application while ensuring sufficient regulatory stability to projects will be essential to secure investment in the sector and achieve various targets set out in the revision of the TEN-T Regulation.

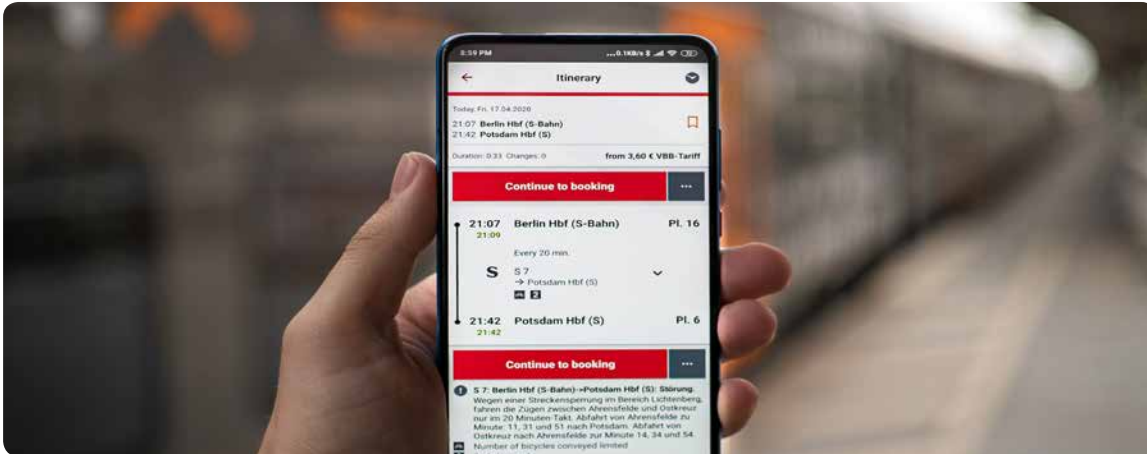
UNIFE calls on the **European Commission, European Union Agency for Railways and Member States** to take the opportunity presented by the 2022 TSI revision to improve the European railway sector and its supply industry's competitiveness by simplifying transitional provisions and defining smooth and feasible processes (e.g. error corrections process for the Control Command and Signalling TSI). Our association requests that ERA and the Commission carefully consider the economic impact of further changes to the Technical Specifications for Interoperability and plan for transition rules in line with rail project and asset lifecycles.



The introduction of digitalisation and automation in rail will become a dominant driver for the introduction of **Future Railway Mobile Communication System (FRMCS)** and future broadband applications far beyond today's **Global System for Mobile Communications – Railway (GSM-R)**. UNIFE calls upon the European Commission to support the development and testing of FRMCS technologies and their deployment starting in 2025.

Achieving a Single European Rail Area capable of supporting long distance, cross-border passenger services requires removing remaining technical and operational barriers caused by different signalling systems. Full ERTMS deployment must be accelerated along the TEN-T network, as proposed in the TEN-T Regulation revision, and technical regulatory stability must be achieved after the publication of the 2022 TSIs package. the publication of the 2022 TSIs package.

Digitalisation solutions to ease multimodal door-to-door journeys



UNIFE is aware that further action to improve rail digital services, especially related to ticketing, remains key to making our mode an attractive travel choice for many more passengers. As rightly outlined in the Action Plan, an easier and more user-friendly European system should be put in place to make finding and booking cross-border train tickets even easier for passengers and more competitive with other transport modes.

- The upcoming EC proposal on **multimodal digital mobility services (MDMS)** is expected by 2022 and will aim to further enhance travel data access, availability and exchange. It will also seek to facilitate the conclusion of fair commercial agreements between railway undertakings and third-party ticket sellers, as well as provide passengers with real-time information. UNIFE welcomes the announced revision of the current Delegated Regulation (EU) 2017/1926 on **EU-wide multimodal travel information services**, as this revision will address the limited accessibility of dynamic data. For UNIFE members data is at the centre of the ongoing digital transformation, being the enabler of the digitalisation of our economies and societies. **Access to dynamic data** is even more crucial for the creation of multimodal, integrated transport

information as well as - possibly - ticketing and payment systems. This would allow the combination of different modes of transport to enable door-to-door journeys, which is the basis of the **Mobility as a Service (MaaS)**. UNIFE encourages the EC's intention to develop a consistent and harmonised European legal framework for the development of MaaS applications which vary from one country to another, ultimately leading to the creation of an open and harmonized European market for mobility services. Transparency and data sharing will also help authorities and public entities enable journey continuation by data analytics and regulation actions. In addition, the MDMS will enhance the efficiency and sustainability of the transport system by providing passengers with clear and complete comparative information on the greenhouse gas (GHG) emissions of a trip, giving them the possibility to opt for the less polluting transport mode.

- Another key initiative is the ongoing 2022 revision of the **Technical Specification of Interoperability on Telematics Applications for Passengers (TAP TSI)** package in the rail sector. As already expressed by UNIFE, in collaboration with other main rail associations such as **CER, EIM** and **EU Travel Tech**¹⁰, appropriate technical means to ensure access to real-time pre-journey information and information during the journey will guarantee the highest possible standard of customer service based on industry consensus on the solution.
- Finally, UNIFE welcomes the EC's intention to assess possibilities and criteria to **limit air traffic** for those routes where more sustainable options - like rail - exist while **facilitating air-rail multimodal journeys**. The development of a common EU-wide definition for multimodal ticketing and payment systems is an important, European level step to ensuring streamlined national approaches and safeguard the possibility for Europeans across the continent to enjoy EU-wide door-to-door mobility.



- We regret that the **European Union Agency for Railways'** (ERA) latest proposal for the TAP TSI Regulation revision to implement Article 10 of the new Rail Passenger Rights Regulation (reg. (EU) 2021/782) is not fit for that purpose, as it goes against smooth and flexible access to the information promoted by the Regulation to the detriment of the passenger. The sector recommends continuing the dialogue on real-time information, with the objective of defining the best technical solution. UNIFE calls on European Institutions and Member States to ensure that the 2022 TAP TSI is further shaped for the benefits of passengers, taking into account business-driven, and thus customer-oriented, return of experience from sector stakeholders.

Creating an easy-to-use, pervasive rail network that lets passengers traverse the Member States is going to require digital tools. The European Rail Supply Industry supports greater access to data that will enable both planners and passengers to be more informed as they travel and support multimodal journeys capable of diminishing carbon emissions.

Foster a European Rail skills strategy



As mentioned in the Action Plan, the railway sector faces several challenges related to skills, ranging from an aging workforce to the need to shape and promote the image of the sector as a means of attracting young people and women of all backgrounds to take part in the renaissance of long distance, cross border passenger rail. Moreover, the railway sector operates in a rapidly changing environment that demands both new skills and professionals with the capability to adapt to challenges arising from digitalisation, continued innovation and the green transition. UNIFE applauds the Action Plan's numerous references to the existing skills shortage and expects the future initiatives to be designed to address complications associated with an aging workforce and prepare the sector to provide jobs and skills acquisition needed in the future.

- To answer to the needs and challenges related to skills, one of UNIFE's main priorities as project partner and representative of the railway sector is the roll out of the **ERASMUS+ STAFFER Blueprint for Skills** and the implementation of its outcomes. The project will support the sector's overall skills strategy and develop concrete actions to address skills needs. STAFFER aims at answering several essential needs:

- What are the necessary skills for the future, for example, at the level of technicians, operations, production, corporate employees and engineers, among others?
- How must current curricula be further adapted as to align with the several existing skills challenges?
- Additionally, the project will further promote transnational mobility at large and deal with its corresponding requirements. For instance, our consortium will examine solutions to the language barrier staff on cross-border rail services may encounter as they traverse the EU Member State, a problem that was highlighted in the Action Plan. At the same time, it is also crucial to develop mobility programmes that are then validated and concretely applied to achieve greater employability and careers opportunities. Finally, a comprehensive strategy is required to close gaps since realities differ across Member States. UNIFE believes that, by addressing all these points, the railway sector will be better prepared to deal with the skills needs of the future. To be successful, alignment between future policy initiatives and STAFFER's outcomes is critical. Moreover, follow-up initiatives under the **Pact for Skills** should also be envisaged and welcomed by the rail supply industry sector.



- Another priority for UNIFE is the **promotion of the rail supply industry's public esteem**, an improvement needed to attract young people and transitioning professionals to successfully building the next generation of sustainable and smart mobility solutions.
- It is also fundamental to bring more women into our ranks as they only represent around 20% of the industry's current work force. Co-operation with different stakeholders is important in this regard, particularly with the European Commission. The **2021 European Year of Rail** and the **2022 European Year of Youth** present good opportunities to develop joint initiatives to promote the image of the rail sector and attract newcomers
- To further do so, UNIFE has been active on a number of initiatives. The railway sector supported by the European Commission's **Women in Transport Platform** - will organise the 1st **Women in Rail Award** in 2022 to honour initiatives and efforts aimed at promoting the presence, representation and success of women in the sector. Still under the umbrella of the 2021 European Year of Rail, UNIFE organised a digital event to discuss the best means of ensuring skills trainings match evolving transport needs and attract talent capable of developing and deploying the next generation of rail.
- Last but not least, UNIFE is participating in the **European Alliance for Apprenticeships (EafA)** to ensure that citizens can access rewarding careers in the European rail supply industry which is also highlighted in the European Commission's Action Plan. Improving skills acquisition through Vocational and Educational Training (VET) programmes is essential to equipping Europeans with the Science, Technology, Engineering and Mathematics (STEM) capabilities needed to design, implement and deploy the rail products needed to spur on a digital and green transition that ensures robust economic development.

Creating a sustainable, reliable, digital and accessible Single European Rail Area capable of long distance, cross-border passenger travel is no small task! We are going to need skilled colleagues to design, build and deploy next generation transport solutions.



- Moreover, UNIFE developed a campaign called **"Hop On for Our Planet!"** in 2019 that sought to raise awareness of exciting careers in rail and reforming curricula across the Union to provide trainings that facilitate the design and deployment of sustainable mobility technologies.

HOP ON
FOR OUR PLANET!

Make the level-playing field with other modes of transport a reality



UNIFE applauds the EC's intention to further promote the modal shift towards the rail sector by identifying some concrete measures which would boost a real level playing field for all transport modes. The **Fit for 55 package proposals**, notably the revision of the **EU Emissions Trading Scheme (EU ETS)** and the **Energy Taxation Directive (ETD)**, as well as the ongoing **consultation on Guidelines on State aid for railway undertakings**, promise to be a step in the right direction. jobs and skills acquisition needed in the future.

- In the context of the **Fit for 55 package proposals**, UNIFE welcomes the EC's proposal for a recast of the **Directive "restructuring the Union framework for the taxation of energy products and electricity"**. UNIFE fully shares the European Commission's urgency to undertake thorough modifications to this piece of legislation. The ETD dates from 2003 and the way it sets minimum tax rates for energy products and electricity had the mere aim to preserve a level playing field in the single market. But those minimum rates, which are based on the volume of fuels sold, bear no relation to each fuels' environmental performance.
- However, the Directive - as it currently stands - is obsolete and not in line with the EU's 2050 and 2030 climate and energy objectives, as set forth by the Green Deal and the Climate Law. In fact, the Directive is not currently fit to adequately promote greenhouse gas (GHG) emissions reductions, energy efficiency and the take-up of electricity and alternative fuels such as hydrogen. Due to these shortcomings, UNIFE supports the recast's approach to switch from a taxation model for energy products and electricity based on the volumes of fuels sold, to model based on actual energy content.

- This would be best achieved by introducing a ranking of rates according to the environmental performance of such energy products and electricity. Notably, we do support the possibility of Member States applying tax reductions to energy products and electricity used for the carriage of goods and passengers by rail, metro and tram. This optional tax reduction may further incentivise the use of environmentally friendly modes of transport, pursuant to the Sustainable and Smart Mobility Strategy.

prove the sector's competitiveness and a level playing field in rail, thus facilitating a modal shift, cutting transport emissions and reducing road congestion. The revision will reflect the latest market and regulatory developments, such as the uptake of interoperable rolling stock fit for cross border services and enable the rail sector to embrace the green and digital transitions that the Commission has made its priorities.



- UNIFE expects other instruments, such as the **EU emissions trading system (ETS)** reform, to curb emissions while providing additional revenue to be invested in innovation and low-carbon rail infrastructure that would further decrease the sector's environmental footprint. We fully support the EC's proposal as we believe that putting a price on carbon and using the ETS revenues to support future rail and public transport infrastructure investments might prove to be one of the most cost-effective ways to ensure rapid GHG emissions reduction in the transport sector.
- Finally, the European rail supply industry supports the ongoing **consultation on Guidelines on State aid for railway undertakings**. In fact, the revision will im-

The European Union's climate and energy objectives require passengers to willingly choose sustainable transport options. The rail supply industry believes that accurately pricing services, partially based on their emissions, is key to incentivising the substantial shift to passenger rail called for in the EU Green Deal and the latest Fit for 55 legislative proposals..

Night trains as a sustainable, alternative mobility solution



Climate change is an unprecedented development in natural history. The novel and global consequences of humanity's reliance on carbon intensive energy forms often make it seem like cutting edge solutions are the only means of achieving a green transition. But, sometimes, a good idea is an old idea – night trains! Almost 200 years after the introduction of the first sleeper car, Europe is witnessing the return of the night train as people seek environmentally friendly, comfortable, safe and exciting modes of transportation.



In 2009, the Grand Orient Express – the famed service that linked Europe's grand capitals and connected them to the world – ended its storied 183-year long run. More than a decade later, after several other similar route closures, Europe is beginning to return to night trains, ushering in what some people are beginning to call a "Rail Renaissance". Drawing upon Europe's existing, pervasive rail network, operators are planning new routes like Paris-Milan-Rome, Berlin-Amsterdam, Brussels-Vienna and Madrid-Lisbon.

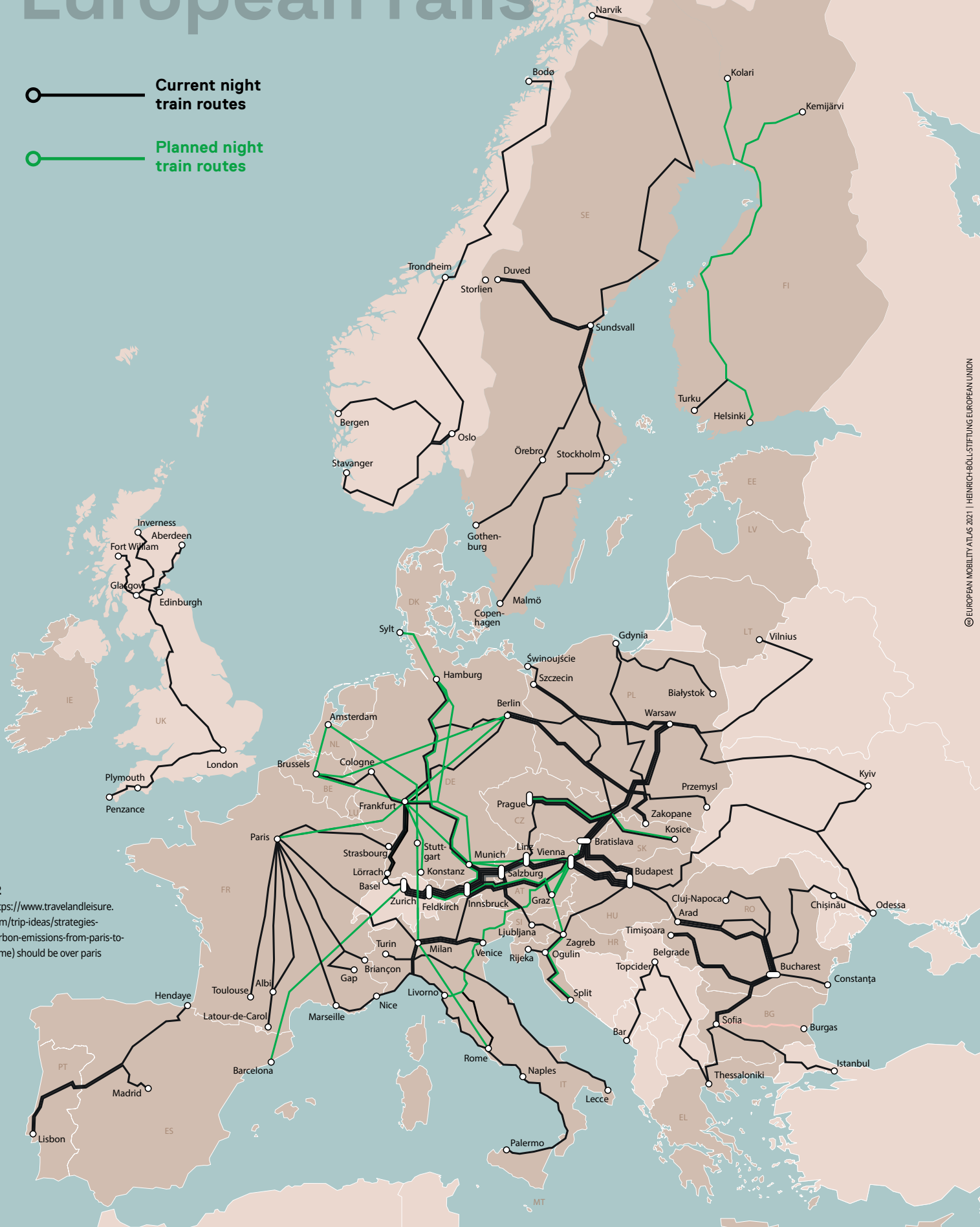
- After years of diminishing service, dozens of new night train lines are planned for renewed operation in the near future.
- Night trains and long-distance rail travel generate drastically less carbon emissions than other modes on comparative lines. Rail only generates 0.4%¹¹ of transport carbon emissions.
- Shifting the 150 busiest intra-EU short-haul flights that currently have a train alternative under 6 hours to rail would save approximately 3,5 million tonnes of CO₂e per year.
- Rail supply industry develops next generation rolling stock that enables night train shift

As night trains return, take a look down the tracks with us to learn about the future of Europe's long distance, cross border passenger rail and the benefits of a modal shift!

¹¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021DC0005&from=EN>

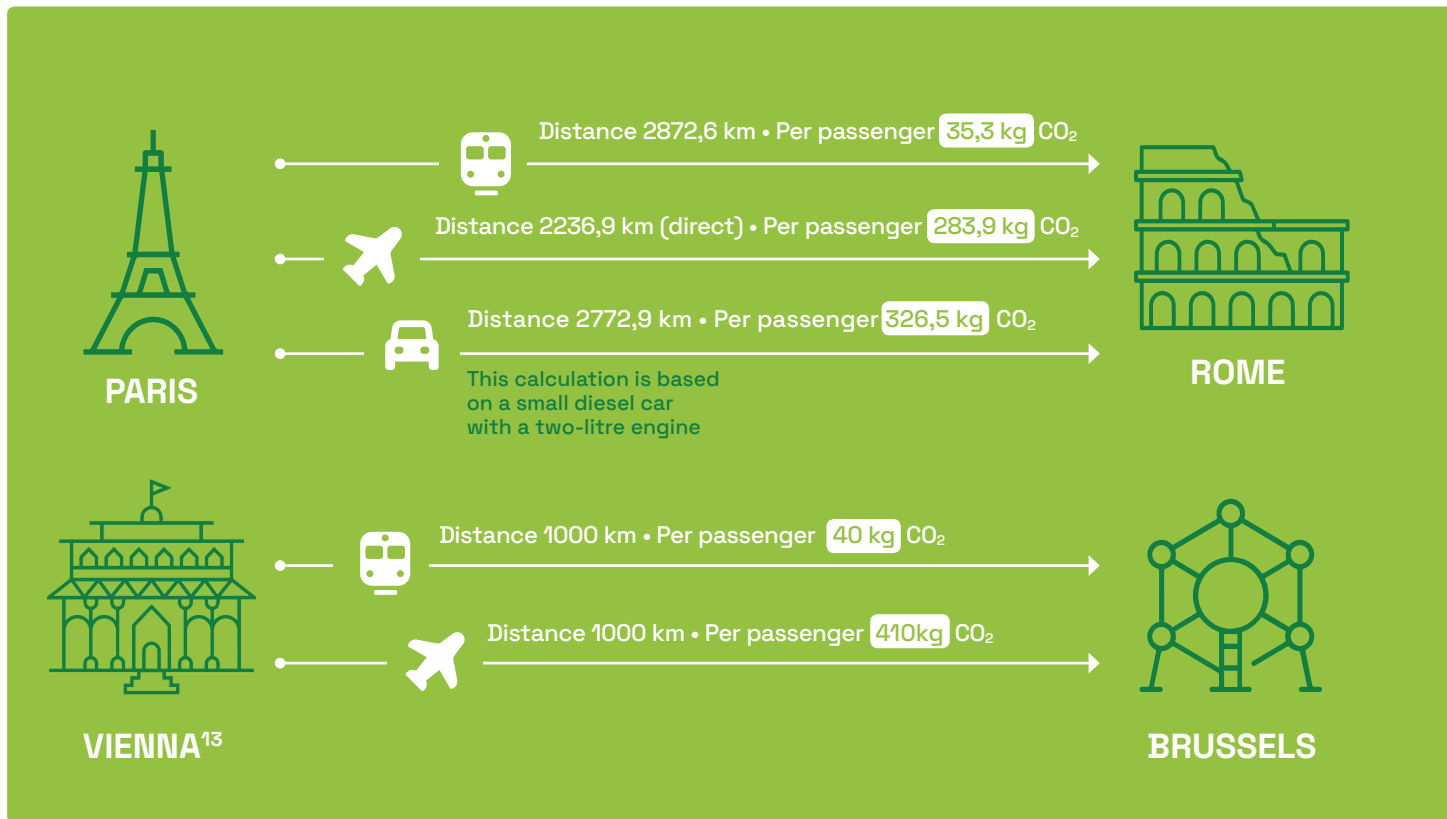
Night time on European rails

-  Current night train routes
-  Planned night train routes



12 <https://www.travelandleisure.com/trip-ideas/strategies-carbon-emissions-from-paris-to-rome> should be over paris

Rail leads the way on sustainable long-distance travel! How much carbon do you save on your trip?



1 Tonne of CO₂ is equal to...¹⁴

- ▶ 2,6 economy flights Amsterdam – Rome
- ▶ 72 trips Amsterdam – Paris with the Thalys
- ▶ Electricity consumption (grey) by 0,65 households in one year in the Netherlands (average consumption HH: 2765 kWh)

European Rail Supply Industry's views on night trains:

- The cross-border and long distances rail services market, in particular for night trains, represents an opportunity for European manufacturers.
- The European rail supply industry has the industrial capacity to deliver rolling stock suitable for this emerging market in the coming years, but there must be a clear visibility of customer interest.
- As recalled in the introduction, several pre-conditions identified by the Commission in its Action Plan must be met to ensure the deployment of night trains in Europe.
- The future development of this market will depend on the joint effort of all relevant stakeholders - operators, infrastructure managers, manufacturers and both European and national institutions.

¹³ <https://www.euronews.com/2020/01/20/an-important-step-in-the-right-direction-vienna-brussels-sleeper-completes-inaugural-jour>

¹⁴ <https://www.climateneutralgroup.com/en/news/what-exactly-is-1-tonne-of-co2/>



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