

FS CONTRIBUTION TO THE CONSULTATION ON THE FUTURE "EU 2020" STRATEGY

Ferrovie dello Stato welcomes the European Commission working document on the future 2020 strategy for the European Union and fully agrees on the priorities outlined by the Commission.

An efficient and sustainable European transport system is the precondition to achieve the EU targets on knowledge, jobs, productivity and growth. To this aim, railway transport can play a leading role in order to improve quality, efficiency and sustainability of the European transport system.

In order to deploy its potentiality the railway transport needs the European Commission to promote the completion of the railway single market, to support the infrastructure funding and to sustain the green transport modality.

Completion and exploitation of the Single Market

Commission Work Document:

*"The framework of the **single market** gives us the size and the scale necessary to achieve these objectives. **It is the central tool which ensures that citizens reap real benefits from increased competition and that companies operate on a level playing field** – provided that the rules of the single market are correctly implemented, including in sectoral policies. But the EU is still not tapping all the benefits of its single market, conceived more than twenty years ago: obstacles to cross-border activity remain, which in turn reduce consumer choice, price competition and potential productivity." (p. 9)*

FS welcomes the Commission's opinion on the need to exploit the single market potential. Freight and international passenger transport (representing together the 25% of the value of the railway market) are now liberalized.

Railway single market should be completed. National passenger transport, which represents the biggest share (75%) of the railway transport market, is still closed to competition at European level. As some member states - such as Italy, Germany, United Kingdom, Sweden, - have opened their national markets, the current asymmetry has led to unfair competition between RU operating in open markets and RU enjoying monopoly in their own countries. The Commission should therefore propose the opening of the national transport markets from 1st January 2012 introducing reciprocity clauses for those Member States that open their market in advance. This is crucial to push all the players to enhance their efficiency and the level



of their services. Rail scale economy, to be fully exploited, requires an integrated and developed European market.

The Commission should steer the implementation of the EU legislation removing the existing cross-border obstacle and promoting a further harmonization of the interoperability and safety standards as well as of the working conditions.

Infrastructure funding

Commission Work Document:

*"Together with the roll-out of high speed internet, the development of smart, upgraded **transport** and energy **infrastructures** contributes to multiple objectives including decarbonisation, transport safety, energy security, and the competitiveness of our network economy." (p. 7)*

FS welcomes the Commission opinion while recognising the role of the transport infrastructures. Taking into account the huge investment already mobilised by the European Union and by Member States, FS considers that the implementation of the existing unfinished TEN-T projects - in particular of the cross-border sections - and of the ERTMS system, should be one of the priority of the European Union for the next years.

In 2009, the European Commission itself esteemed that € 145 billion will still be required after the current multi annual period which expires in 2013. Considering the expected infrastructure costs and the leverage effect, FS expect a EU budget of € 30 billion.

Support green transport

Commission Work Document:

"In developing a new vision and direction for EU policy, we need to recognise that conserving energy, natural resources and raw materials, using them more efficiently and increasing productivity will be the key drivers of the future competitiveness of our industry and our economies." (p. 3)

"Our social, economic and environmental objectives must go hand in hand if we are to deliver on our thematic priorities for 2020." (p. 3)

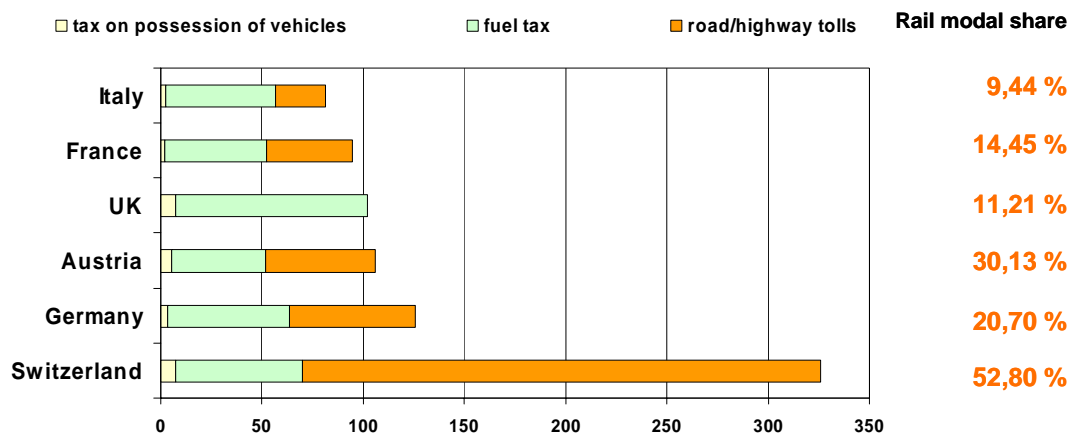
*"**Greening the economy** [...] means using the material inputs in the economy more efficiently, becoming more productive by reducing pressure on resources. This means shifting our economy, through targeted regulation (e.g. promoting energy-efficient products and systems), through **emission trading**, tax reform, through grants, subsidies and loans, through public investment and procurement*



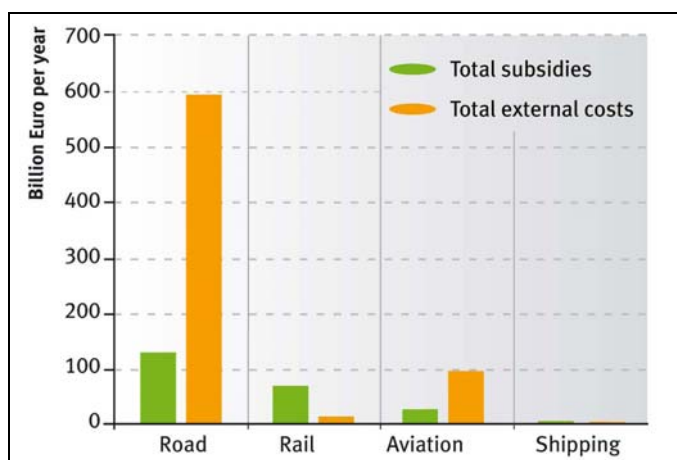
*policies, and through targeting our research and innovation budgets to this end.”
(p. 7)*

Transport accounts for 22.8% of the EU's CO₂ emissions and is expected to further increase its impact by the next years. Railways are the lowest CO₂ intensive transport mode and have already committed themselves to further reduce their own CO₂ specific emissions by 30% between 1990 and 2020

It has been demonstrated that there is a positive correlation between the burdens charged to road and the railway modal share. For a sustainable transport it is therefore necessary to harmonize subsidies policy between railways and other modes of transport and among different Member States.



Source: ECMT DataBase_08



On July 8 2008, the European Commission adopted the Greening Transport Package, which includes a proposal to revise the Eurovignette Directive on charges for heavy-



goods vehicles. The proposal is a first step to introduce the internalization of the external costs of road transport and represents a positive initiative.

FS thinks that the proposal should evolve to include the CO₂ emissions and the accidents in the scope of the external cost charges and promoting the earmarking of revenues from external cost charges to finance the TEN-T. CO₂ emissions saving are crucial for fighting climate change. In freight transport, every point of modal shift from road to rail transport can lead to a saving of more than 3.5 million tonnes of CO₂ a year.