



# Towards a more competitive rail freight sector

## ● Towards a rail network giving priority to freight



The development of rail freight is a major challenge for the transport sector in the European Union. Although it declined significantly from the 1970s until recent years, this mode can make a significant contribution to the construction of an efficient and sustainable European transport system. Rail transport is less costly in environmental terms than road transport and may offer a competitive alternative to the latter on certain major segments of the market. However, it suffers from major drawbacks: the fact that it has to share the infrastructure with passenger traffic, the lack of interoperability and a culture which is still insufficiently customer-orientated.

Over the last 15 years or so, the European Community has launched a series of initiatives aimed at revitalising rail freight transport and giving it a more European dimension, concerning both the way in which the sector is organised (rail freight has been gradually opened up to competition, and has been totally opened up to competition since 2007) and the development of technical interoperability as well as the construction of key infrastructures for the continent of Europe through the TEN-T programme.

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These measures have produced satisfactory results, but they do not go far enough. The performance of rail freight has again been improving significantly for a number of years. In the first half of 2007, it increased by 7%, in particular as a result of the dynamism of international traffic. However rail's modal share of freight transport is scarcely increasing. In addition, the development of interoperability remains modest and needs to be accelerated.

### ● The need for action at European level

In this context, it seems appropriate to supplement the Community initiatives already launched by taking further action to promote the construction of an integrated and competitive European railway area. The White Paper on Transport for 2010 already expressed the Commission's desire to promote a European network giving priority to freight.

The Commission wishes to transform this objective into actions. It is still relevant and in keeping with the current context of the freight transport market, since it is when large volumes are transported over long distances that rail freight seems to have the best prospects of being able to compete with road transport. The growing containerisation of freight transport and the longer distances covered in the single European market should generate a growing demand for rail transport.

It is therefore proposed that a series of financial and legislative measures should be initiated aimed at promoting the development of a European freight-orientated rail network, corridor by corridor. This approach is based on the programmes and initiatives already launched in this area, such as the deployment of ERTMS<sup>1</sup> on major European routes.

### ● Further development of the corridor concept

The Commission has identified a possible European network based on existing and future flows. For the corridors in the network, greater cooperation between the infrastructure managers and the Member States on the programming of investment and the management of corridors, through the corridor coordination structures, should result in infrastructure use and funding being optimised on a European scale.

Greater coordination and the common desire to give adequate priority to freight on these routes should make it possible to propose to rail freight operators high-quality train paths, and thus improve the performance of the production chain involved in provision of rail freight transport services.

The Commission is, in particular, proposing the creation of at least one international freight-orientated corridor in each Member State by 2012. For each corridor it proposes initiatives aimed at:

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<sup>1</sup>European Rail Traffic Management System

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- improving coordination between Member States and infrastructure managers on management and investment;
- giving adequate priority to freight traffic compared with other traffic on the network giving priority to freight;
- improving access to ancillary services and transparency concerning the quality of the service offered. All the proposals will be carefully examined and assessed by an expert group at the beginning of 2008, and then transformed into legislative and financial proposals by the end of 2008

The Commission is aware that these proposals are only part of the response to the need to revitalise rail freight. The effective restructuring of the incumbent undertakings, greater opening-up of rail freight to competition, and greater innovation in the sector, which needs to find new models more in keeping with the requirements of modern logistics, remain essential for the redynamisation of a sector which Europe needs.

### ● Examples of corridors in figures:

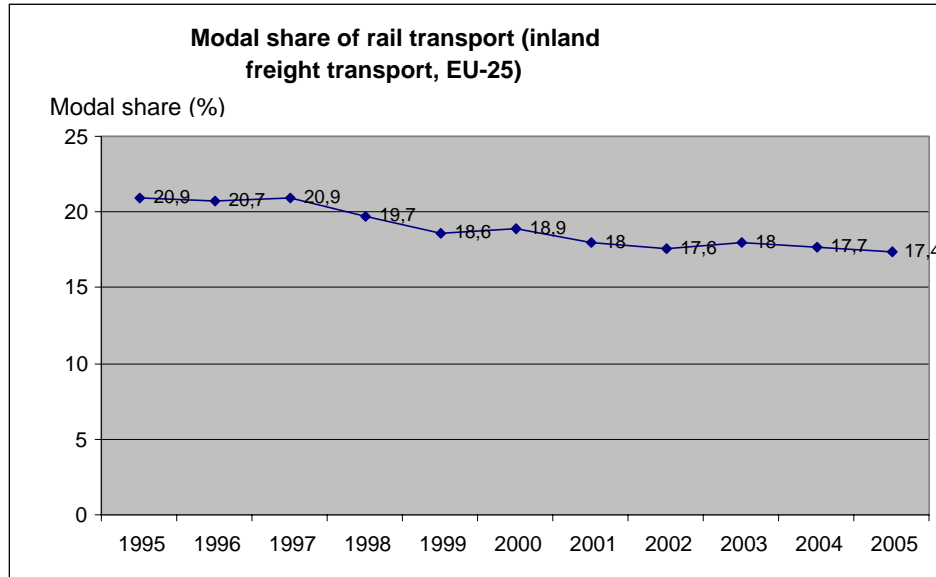
- **Corridor A: Rotterdam-Genoa**

*The objectives along the Rotterdam-Genoa corridor are to double the volume transported between now and 2020, with an increase in punctuality of 26% and a reduction in transport time of 20%. In absolute terms, these measures will allow 28 billion freight tonnes-km each year to be transported by rail rather than by road: this means, at each point along this 1 300km corridor, one lorry with 26 tonnes of freight passing by every 37 seconds, 24 hours a day, all year round..*

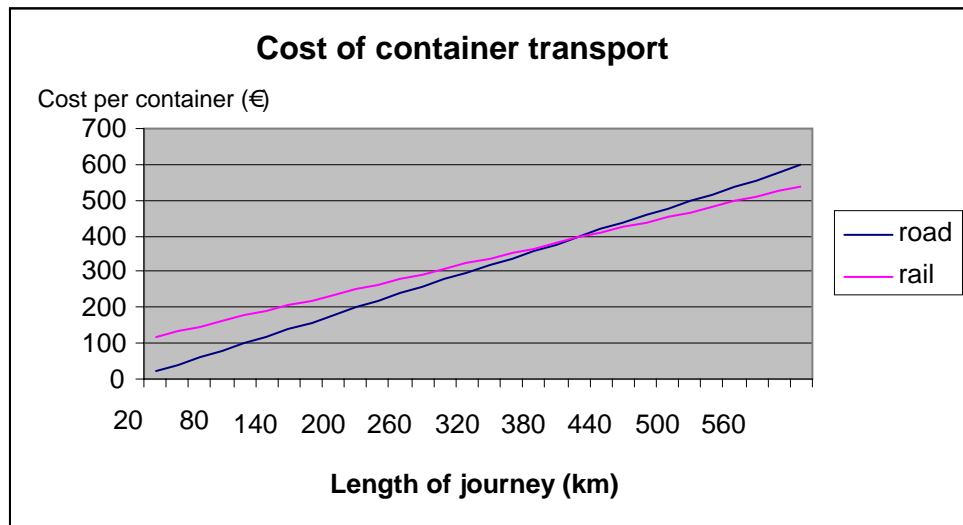
- **Corridor C: Antwerp-Lyon/Basle**

*On the Antwerp-Lyon/Basle corridor, the objectives are to increase the volume transported by 55% between now and 2020, with a reduction in transport time of 15%, and a four-fold reduction in the number of late trains on the Antwerp-Lyon line and a two-fold reduction on the Antwerp-Basle line. On these very dense routes where rail can have a competitive edge, this would mean that approximately 7 billion freight tonnes-km use rail rather than road.*

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Source : Eurostat



Source : Impact assessment, Atkins