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FERRMED Conference

“Long and heavy trains, the way to EU Rail Freight Competitiveness”

European Parliament

Hall JAN 4Q1 Brussels

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SPEECH – Conference remarks (concluding)

- Thank you for inviting BUSINESSEUROPE to make some concluding remarks on the basis of the discussions we had here today.
- I am August Mesker, I am Chairman of the Transport Working Group of BUSINESSEUROPE and I am responsible for transport and infrastructure at the Confederation of Netherlands Industry and Employers (VNO-NCW).
- BUSINESSEUROPE is the main horizontal business organisation at European level. Through its 41 member federations, BUSINESSEUROPE represents more than 20 million companies from 35 countries. Many of them are providers, most, if not all of them are users of transport services.

The single market for transport

- We strongly support the strive for a true single market for transport. And I think it is clear from the contributions what we heard today that European business supports the proposals from the European Commission to improve the efficiency of the transport sector. Therefore, it is fundamental to remove remaining regulatory, administrative and technical barriers **in all modes** of transport. That will enhance the overall competitiveness of the EU economy.
- We consider the different transport modes should be seen as complementary to each other and efforts are needed to make all modes more efficient, including, as has been pointed out today, the interconnections between the modes. For the rail sector it is essential to have good connections with ports and airports but also with inland waterways. Only this way we will get an efficient and sustainable system of logistics in Europe.



- That being said, we believe rail needs to be made more attractive. This is crucial in view of increased demand for transport, but also to address the climate and energy challenge that we face. Yes, rail and waterways can provide for energy efficient transport and we should make optimal use of them. One European rail area would help, and it is clear that it is far from being completed.
- Member States need to speed up to better implement already existing European railway legislation. Serious efforts are needed to really open up the rail transport market to competition and to improve the interoperability of national networks. A more European approach to rail will facilitate cross-border movements and enable rail to exploit its competitive advantage over longer distances. Also, a European approach would provide a single market for rail equipment with lower costs.

Specific comments on Railway Package

- As I have said, BUSINESSEUROPE, in line with many speakers today, welcomes recent proposals from the European Commission made in its **4th Railway Package**. We believe it will contribute to creating a true internal market for rail and to ensuring better quality and more choice in railway services in Europe.
- In particular, we support initiatives in the package that aim to:
 - **Make better use of standards and put in place more efficient approval procedures.**
We fully support the intention to make the European Rail Agency a "one-stop-shop", issuing EU-wide rolling stock authorisations and safety certificates for international operators.
 - **Secondly, we think the opening up of passenger services** to new entrants, especially on high speed lines, is positive.
 - **Thirdly, interoperability.** We also agree with the Commission and various speakers today that there are still too many issues due to lack of interoperability that hinder access of foreign operators to national networks.
- **Most of these problems are well known already for a long time.** Former railway packages were intended to address the most important problems, and provided in principle for access of foreign rail freight providers to national networks. But to date, many problems, often related to diverse national requirements, remain unresolved. We hope the 4th package will make the difference.
- We agree that improving rail (freight) services throughout Europe also requires increased and continuous investments in infrastructure. In this context - as you know - the Commission has proposed a new infrastructure financing instrument for the next multi-annual financial framework supporting these aims: the **Connecting Europe Facility (CEF)**.



- On the latest developments regarding the CEF discussions, let me say that:
 - As it currently stands in the negotiations, from the initial Commission proposal, the competitiveness related areas have regrettably been the most affected. The Connecting Europe Facility is the most evident example, with a cut of over €20 billion from the Commission's original proposal (€50 billion).
- BUSINESSEUROPE continues to urge political leaders and the European Parliament to reach an agreement that safeguards the shares of the budget for the Connecting Europe Facility proposed by the Commission.
- As mentioned, infrastructure investment is vital, but not alone sufficient to realise rail's potential. This also requires better operational efficiency and service quality. This also entails efficient governance of rail corridors.
- It is clear that we also welcome the initiatives of FERRMED to make EU rail freight more competitive. We appreciate the open discussions on the length of freight trains. We encourage rail infrastructure managers and rail operators to sort out where these improvements are most worthwhile and can be achieved at reasonable costs in the years to come. But, as mr Fried of Deutsche Bahn pointed out, for longer trains, there is no business case for a *one-size-fits-all approach*; market demand and cost-effectiveness should be leading.

Last but not least,

- While supporting improvements to make rail more competitive, we insist that **companies must have the freedom to choose** their preferred mode of transport. It is important that so-called 'modal shift' is not forced against the free market because it may lead to losses in efficiency and put the competitiveness of European companies in danger

Thank you for your attention.