



To: Members and Substitutes of the
Transport and Tourism (TRAN)
Committee

Brussels, 8 October 2013

Dear Members of the TRAN Committee and Substitutes,

Re: Your consideration of amendments to the 4th Railway Package on 14 October

The efficiency of European transport networks and the quality of interconnections between the different modes of transport directly affect trade flows and the competitiveness of European companies.

The 4th Railway Package that is currently under discussion presents a number of important proposals that can improve quality and reduce costs of railway services in Europe and can contribute to creating a true single market for transport.

Therefore, ahead of the consideration of the amendments in your Committee on 14 October, BUSINESSEUROPE wishes to stress a number of key principles that we believe should be leading in this debate, which include:

- Open up passenger rail transport to competition
- Empower the European Railway Agency (ERA) to deliver European-wide rolling stock and signalling authorisations as well as safety certificates
- Improve the interoperability of national rail networks
- Ensure better implementation and enforcement of previous Railway Packages

These measures, included in the Commission proposal, are key to make railways more competitive to the benefit of customers and European industries.

While supporting all efforts to make rail more competitive, we do insist that companies must retain the freedom to choose their preferred mode of transport. Forcing a modal shift against the free market would lead to efficiency losses. We strive for a true single market in *all modes* of transport by removing remaining regulatory, administrative and technical barriers to enhance the overall competitiveness of the EU economy.

You will find more detailed remarks at annex. We trust that you will take our views into account for your important debate.

Yours sincerely,

Markus J. Beyrer



ANNEX - COMMENTS IN VIEW OF DISCUSSION ON 4TH RAILWAY PACKAGE

Specific comments on the 4th Railway Package

- BUSINESSEUROPE welcomes the proposals of the 4th Railway Package as they can contribute to creating a true internal market for rail, ensure better quality and provide more choice in railway services in Europe.
- Rail transport needs to be further opened to competition. This will lower prices for customers and costs for rail industry, promote innovation and improve quality. Therefore, we also support the opening up of passenger services to new entrants, both in commercial services, such as high speed, and public service obligations.
- When removing remaining barriers and further opening up to competition, it is fundamental to also ensure a *level-playing field* between Member States during the transitional period until the EU market is fully liberalised. This is necessary to avoid a distortion of competition between railway operators. It is also important to consider this vis-à-vis companies coming from outside Europe.
- To improve interoperability, clear and transparent requirements are needed, harmonised as much as possible at European level and implemented similarly across the EU. To that end, it is critical to empower the European Rail Agency as a *one-stop-shop*, issuing EU-wide rolling stock authorisations for manufacturers and safety certificates for rail operators.

This will significantly improve the rail transport system's competitiveness as today due to more than 11.000 national rules and the delivery of authorisations state by state by National Safety Authorities, placing a new type of train on the market can last up to two years and cost up to €6 million, compared to much shorter periods and lower costs for authorising aircraft. The Commission estimates that the envisaged *one-stop-shop* would allow for a 20% reduction in both cost and duration of authorisations, leading to €500 million in savings over five years.

- Social clauses should be taken into account but should not hinder the possibility to compete amongst undertakings.

Issues closely related to the 4th Railway Package

- Existing rules need to be better applied: ensure better implementation of former Railway Packages to address remaining challenges - such as diverse national requirements - for access of foreign rail freight providers to national networks.
- Improving rail (freight and passenger) services throughout Europe also requires increased and continuous investments in infrastructure. For this reason it is so fundamental to finalise the deal reached on the Connecting Europe Facility.



- In supporting the opening and further development of rail passenger transport, we stress the importance to take into account the economic significance of freight traffic.
- We appreciate the open discussions on the length of freight trains. We encourage rail infrastructure managers and rail operators to sort out where improvements are most worthwhile and can be achieved at reasonable costs in the years to come.
- All modes of transport should be seen as complementary to each other and efforts are needed to make all modes more efficient, including the interconnections between modes. For the competitiveness and sustainability of the rail sector, it is essential to have good connections with ports and airports but also with inland waterways.

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