

UIP POSITION PAPER ON THE EUROPEAN PARLIAMENTS DRAFT AMENDMENTS ON THE COMMISSION'S PROPOSAL FOR A REGULATION ON ESTABLISHING THE CONNECTING EUROPE FACILITY

This Position Paper presents the view from UIP on the European Parliament's draft report and amendments (2018/0228(COD)) on the Commission's proposal for a Regulation on establishing the Connecting Europe Facility (CEF).

1. CEF Transport Budget

UIP welcomes the amendment proposals put forward by many Honourable Members of the European Parliament **aiming at increasing the CEF budget for transport**. The suggestion of the three rapporteurs to increase the transport budget from €30.6 bn to €40.3 bn (current prices) better acknowledges the key role transport is playing in the European economy and the necessity to invest massively to achieve the environmental and digital objectives put forward at the level of the European Union. The higher budget share also better reflects the importance of digitalising the transport sector at a higher pace. More EU funding for digitalisation projects, the introduction of truly multimodal telematic applications and automation would be vital to enhance the efficiency of transport operations, facilitate multimodality and hence support sustainable transport.

Art. 4 - paragraph 2	
Commission Proposal	Amendments as proposed by rapporteurs (AM 497)
(a) up to EUR 30,615,493,000 for the specific objectives referred to in Article 3(2) (a), of which:	(a) EUR 35,781,271,000 in constant prices (EUR 40,325,493,000 in current prices) for the specific objectives referred to in Article 3(2)(a), of which:

2. Budget share

We are however concerned about the rapporteurs' suggestion to delete the CEF transport budget share between the 'infrastructure pillar' and the 'horizontal pillar'. While CEF Transport has up to now focused on the completion of the core and comprehensive TEN-T network, we believe that it is time to put our efforts into the 'horizontal pillar' which is crucial to support and incentivise private investments towards the digitalisation of assets and the development of artificial intelligence (big data

applications), the introduction of new technologies to reduce noise disturbance and to increase the level of automation in transport operations.

All these developments are key to the competitiveness of the transport sector and address the need to increase efficiency, capacity, sustainability, safety and societal or environmental challenges. Without a clear framework for the repartition of budget shares, we fear that European funds would almost be fully used for infrastructure investments to alleviate the national budgets allocated to transportation. UIP therefore strongly advocates for the 60/40 division between the infrastructure and horizontal pillar, as proposed by the Commission, to be maintained to ensure a fair balance between both priorities and a maximum leverage effect of the limited funds available.

Annex – part II – paragraph 1 – indent 1	
Commission Proposal	Proposal by UIP
– 60% for the actions listed at Article 9 paragraph 2 (a): "Actions relating to efficient and interconnected networks";	No changes. Text of Commission should be kept.
Annex – part II – paragraph 1 – indent 2	
Commission Proposal	Proposal by UIP
– 40% for the actions listed at Article 9 paragraph 2 (b): "Actions relating to smart, sustainable, inclusive, safe and secure mobility".	No changes. Text of Commission should be kept.

3. Co-financing rate of studies

According to Article 2(6) of the current CEF Regulation, the definition of studies does not cover only feasibility studies but also the testing and deployment of existing solutions or technologies in a framework of a pilot. CEF funds are essential for this pilot and deployment studies and have been frequently used by all modes of transport as well as by the public and private sector. Study projects are as important as projects of work and deserve EU funding. The role of CEF as external funding has been a key incentive for the private sector to invest in the deployment of new technologies - It's therefore crucial to keep the co-financing rate for studies at a 50% share as proposed by the European Commission.

Art. 14 – paragraph 1	
Commission Proposal	Proposal by UIP
1. For studies , the amount of Union financial assistance shall not exceed 50 % of the total eligible cost. For studies financed with the amounts transferred from the Cohesion Fund, the maximum co-financing rates shall be those applicable to the Cohesion Fund as specified in paragraph 2 (b).	No changes. Text of Commission should be kept.

4. Topics to be included as eligible Action under Article 9 of the CEF Regulation

S&D shadow and many MEPs have proposed to include actions under Article 9 which reduce rail freight noise, including retrofitting existing rolling stock in cooperation with the rail industry. The railway sector is investing massively in actions to reduce rail freight noise like the retrofitting of existing rolling stocks with composite brake blocks or disc brakes. However, with the implementation of the quieter route in the EU by December 2024 and the still on-going public discussions on reducing further rail noise in certain Member States, freight wagon keepers and UIP call for the subject to remain in the list of eligible actions as proposed by many MEPs.

Art. 9 – paragraph 2 – point b	
Commission Proposal	Amendments (AM 755, 758-760, 764)
-	point ix a (new) actions to reduce rail freight noise , including by retrofitting existing rolling stock in cooperation with, inter alia, the railway industry;

5. Procurement of rolling stock

UIP is strictly against the proposal submitted by rapporteur Marinescu as to support the procurement of rolling-stock with CEF money. For the rail freight sector, a competitive CEF call on rolling stock procurement would create big distortions of competition contrary to the common interest and clearly contradicts the Community guidelines on State aid for railway undertakings which state: “the costs of acquisition of rolling stock for exclusive use in freight transport are not admissible.”¹ At minima, UIP requests procurements in rail freight to be excluded from the scope of the amendment.

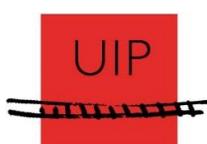
Art. 9 – paragraph 2 – point a – point i	
Amendment by Rapporteur Marinescu (AM667)	Proposal by UIP
(...) Actions implementing the railway core network may include procurement rolling stock to provide a minimum level service at the railway new performances level...	delete

¹ See Communication from the Commission: Community guidelines on State aid for railway undertakings (2008/C 184/07) published on 22.7.2008

6. Simplifying application procedure

UIP would welcome any kind of simplification of the complex application procedure aiming at reducing the costs and administrative burden for the applicants. The suggested two steps approach when it comes to the evaluation of projects sounds like an interesting approach and would be fully supported if it does not lead to delays in the whole evaluation process and the granting of awards.

Article 19 – paragraph 2 b (new)	
Commission Proposal	As proposed by rapporteurs (AM 1024)
-	2 b. All calls shall include two steps, a first one, very short in time, for projects eligibility, and a second one, for the project grant approval.



Founded in 1950, the UIP – International Union of Wagon Keepers, domiciled in Brussels, is the umbrella association of national associations from fourteen European countries, thus representing more than 250 independent wagon keepers with approximately 200.000 freight wagons, performing 50 % of the rail freight tonne-kilometres throughout Europe. UIP represents the members' concerns at international level. By means of research, lobbying and focused cooperation with all stakeholders and organisations interested in rail freight transportation, the UIP wants to secure in the mid and long term the future of rail freight transport.