

Joint Press Release

Brussels, 2nd April 2007

Private Rail Freight Sector will relaunch Rail Freight

Six years ago in the **White Paper on European Transport Policy** the **European Commission** stated that **rail had a strategic role** to play by hoping to rebalance a system dominated by road. The aim was to revitalize European railways in order to achieve a modal shift before 2010 and to regain the traffic level achieved in 1998 (17 % of all land transport modes in tkm).

This objective is now clearly out of reach. **Main shortcomings** responsible for the failure are:

- The EU market share of traditional Railway Undertakings is still about 90 %, more than 10 years after the start of the liberalisation process ! Only in the few countries, where genuine competition exists, the share of rail freight has improved.
- Prices for the access to and the use of infrastructure and related facilities are neither transparent nor competitive, or reflecting the terms of the 1st Railway Package in respect of marginal costs.
- The third railway package with its passenger charter has led to a deterioration of rail freight quality due to the fact that the foreseen penalties for delayed passenger trains makes it mandatory for both the Infrastructure Manager and the Railway Undertakings to favour passenger trains over freight trains when managing a congested part of the network.
- Competition between the rail freight sector and other transport modes still does not take place on equal terms. In particular, costs imposed in the sector of road and aviation are not borne by those which are responsible for creating the costs

The conclusion must therefore be drawn that the European rail freight policy has fallen somewhat short of achieving its main objectives.

It is now up to the sector to take the destiny of rail freight in its own hands. For this reason, four organizations of the private rail freight sector ERFA, ERFC, F&L and UIP gathering Shippers, Logistics Providers, Private Railway Undertakings and Private Wagon Companies have founded an alliance, the "House of Rail", in November 2006.

They have developed a "Joint Action Plan 2007" including those issues which are vital to make rail freight prosper. The House of Rail Action Plan provides concrete proposals for action to the European Commission.

The House of Rail partners will now discuss their proposals with the European institutions and present the results at the **International UIP Congress in Cannes on 21st September 2007**.



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