

Ministry of Infrastructure
and Water Management

European Commission
Commissioner for Transport Adina Vălean

Bestuurskern
Dir. Openbaar Vervoer en
Spoor
Veiligheid en Goederen
Den Haag
Postbus 20904
2500 EX Den Haag

memo

Position paper international rail passenger transport

IENW/BSK-2020/2302

The Annexed position paper includes proposals for a comprehensive EU agenda to support the development of the international railway passengers market. The European Commission should consider the inclusion of the proposed measures in its work programmes for the 2019-2024 period.

Enclosure(s)
1

The Dutch Ministry of Infrastructure and Water Management invites EU Member States and European Commission to set up a high-level platform of interested Member States to take the international railway passenger agenda forward at national, cross border / corridor and at European level (coalition of the willing). The first meeting of the platform will take place in February or March 2020.

The platform will cooperate with sector parties and present its initiative during the TEN-T days 13-15 May in Croatia. The objective for the TEN-T days or the Transport Council in June 2020 is that interested Ministers sign a Memorandum on their commitment for developing the international rail passenger market and the related European agenda.

Position paper: towards an European agenda for international railway passenger transport

Bestuurskern
Dir. Openbaar Vervoer en Spoor
Veiligheid en Goederen

Netherlands ministry of Infrastructure and Water Management

1. Introduction

The development of international rail passenger services within the European Union has great potential. International rail is a business opportunity in a growing international passenger market. The current societal and political context give the opportunity to rail stakeholders to further develop international train services, while it can contribute to reduction of climate change impact by transport and reduce congested airports within Europe by replacing short haul flights by international railway passenger services. A CO₂ neutral EU should rely on a comprehensive strategy for sustainable and smart mobility. Transport contributes to roughly 25% of greenhouse gas emission, of which 0,5% comes from rail, 30% from aviation, and 70% of the emissions are caused by cars¹. Thus, a shift from road (and aviation) to rail seems the logical next step.

On November 15th the Netherlands organized a high level expert meeting on international rail passenger services, where together with Members States, the EC and other European institutions and organizations discussed the potential of international rail. The outcome of these discussions have been used as input for this position paper, in which the rationale for international rail passenger services within EU policy will be presented as well as proposals for future action. The paper aims at contributing to the European Commission agenda for the 2021-2024 period, e.g. to be reflected in the expected Climate 100 days package called "European Green Deal", and the Commissions annual working programs.

This position paper was announced in the 18 September 2019 letter from State Secretary van Veldhoven to the European Commission Vice president Violetta Bulc; the paper does not prejudge or represent the formal position of Dutch government or the EC in EU decision making.

2. What is already done at European level to facilitate international passenger services?

Within the EU framework much work is ongoing to facilitate and support the development of international rail (passenger and freight) services. Below is a non-exhaustive list of ongoing initiatives:

- The EU passenger rights regulation was adopted in 2007. Transport Council of 2nd December 2019 reached a general approach on the EC proposal to modify that regulation;
- The 2016 4th railway package market pillar to ensure open access for all rail passenger services and the principle (with few exceptions) of competitive tendering for public service contracts.
- The 2016 4th railway package technical pillar to ensure vehicle authorizations and safety certifications organized at European level for international services.

¹ Source ERA, 15 November 2019

- The EU interoperability directives since 2004 and the developments of Technical Specifications of Interoperability that directly impact railway passenger services (Telematics Applications Passengers, Passengers with Reduced Mobility, Control and Command Systems, Locomotives and Passengers, Tunnels, Infrastructure, Energy, etc). The TSI's are applicable for new investments, because of long life time national specified subsystems will continue to exist for long transitional period. In 2017 the European Commission launched the issue log book for rail freight as a complementary measure to accelerate the transition towards an interoperable railway system.
- For rail freight the 2010 regulation concerning a network towards competitive rail freights lead to the establishment of 11 rail freight corridors. In those corridors Infrastructure Managers work together on international rail freight and offer dedicated infrastructure capacity.
- As decided in 2013 the implementation of the TEN-T core network by 2030 according to the TEN-T specifications and the development of the TEN T comprehensive network.
- The implementation of ERTMS infrastructure according to the European Deployment Plan as decided in 2017.
- A Shift2Rail EU innovation program 2014-2020 for railways with e.g. actions on integrated and innovative ticketing approaches.
- EU funding instruments CEF from 2013 and Cohesion funding 2014-2020 that promote investments in cross-border railway infrastructure.
- The 2018 report of European Court of Auditors : "Special report n° 19/2018: A European high-speed rail network: not a reality but an ineffective patchwork".

Bestuurskern
Dir. Openbaar Vervoer en
Spoor
Veiligheid en Goederen

3. Why is new action needed?

A. Because of the goals of the common EU transport policy:

- Climate change: rail has very low carbon impact due to its energy efficiency and its high share of electrification. It is about 30 gr CO₂ per passenger km (intercity/HST²) compared to 100gr + for private car km on fossil fuels. Rail can effectively substitute air transport up to 800km distances. This means e.g. up to 2 million additional potential railway passenger in the Netherlands coming from air transport annually per 2025 (figure at EU level to be elaborated).
- Railway passenger transport is a safe mode of transport, energy efficient, and contributing to spatial planning and quality of living in Europe in terms of accessibility of dense cities.
International rail passenger services are today performing below their potential. Research shows that international rail passenger transport can be competitive with air transport for up to 800km / 6 hour journeys, however the current rail market share is not reflecting this upwards potential on many cross border relations between mayor cities and airports.
- Travel options that include international rail passenger services are of mixed quality i.a. due to a lack of data availability, availability of online

² STREAM Personenvervoer 2014, CE Delft

(through) tickets and interoperability. Multimodal passenger rights need to be developed further

Bestuurskern
Dir. Openbaar Vervoer en Spoor
Veiligheid en Goederen

B: To solve the problems that still exist in developing international passenger services: International railway passenger services markets include:

- short distance cross border services;
- long distance (including night trains) and high speed services;
- and cross-modal (like air-rail) services.

People choose their mode of transport based on five factors: **availability, punctuality, quality, accessibility and price.** Looking at the current offer of international train services we consider there is room for further development with regard to all these factors in order to achieve the international train's fullest potential.

Problems related **to availability** of international rail passenger services:

- International (high speed) rail passenger services are made up of patchwork services, see also the European Court of Auditors 2018 report. International railway transport services remain predominantly nationally organized by national railway undertakings and national railway infrastructure managers, leading to insufficient infrastructure capacity for international rail passenger services. Important rail links between European capitals and main conurbation centers with sufficient market potential are missing or offer low quality (e.g. in long travel times) of service (for example on Amsterdam – Berlin).
- International rail services lack for many transport relations sufficient speed and / or frequencies of services to be sufficiently attractive for passengers. The international rail passenger market is primarily a business driven market (open access services). In case of lack of a viable business case, Member States / public authorities can procure public services. Member States / infrastructure managers are responsible for ensuring high quality infrastructure capacity and cross-border cooperation. At present, infrastructure capacity planning for international passenger services is less developed (compared to domestic services) track access charging schemes for cross-border services is often not coordinated and capacity / interoperability bottlenecks reduce the attractiveness to offer cross-border services. In a national context, infrastructure managers are planning in a multi-annual way train paths and travel times (NL PHS, DE Deutschlandtakt, CH etc), whereas this is missing at an European level. Sector plans for Time Table Redesign will help to achieve this at an European level;

Problems related to **punctuality** of international rail passenger services:

- Departure and arrival punctuality of international railway passenger services is in many cases below domestic service punctuality which is hindering smooth transfer of passengers between services e.g. in cases of rail connections.

Problems related to **quality** of international rail passenger services:

- Lack of high quality and multimodal / integrated ticket booking systems offering services across railway undertakings;
- Organizing international rail passenger services is hindered by technical bottlenecks resulting from the use of different national systems. Bottlenecks are related to requirements to rolling stock (e.g. electrical power supply and signalization), timetabling conditions, capacity issues;

Bestuurskern
Dir. Openbaar Vervoer en
Spoor
Veiligheid en Goederen

Problems related to **price / competition** for the provision of international rail passenger services:

- Lack of competition between railway undertakings in international railway passenger services lead to a low development of competitive services by the existing (incumbent) operators. With suitable framework conditions, the market can further develop, for example when infrastructure managers offer international rail capacity that railway undertakings can actually use for more attractive international services. Member States may also use the instrument of cross border PSO contracts to provide international rail passenger services under competitive tenders as defined in the 4th railway package.

4A. What can the rail community (including the new European Commission) do on international rail passenger services?

Based on the analysis of obstacles to cross-border passenger services and the subsequent solutions, we may derive actions that **various stakeholders** (EU, Member States, infrastructure managers, railway undertakings, rolling stock companies, competent authorities, etc.) should take in order to support the development of cross-border services. Below the **actions** are allocated to EU level or EU Member State level, whereas for many actions both levels will be involved for success. All actions defined at EU and / or EU Member States levels should be complemented by sector action; only at sector level real improvements can be made for international rail passengers.

A. Actions at EU Member States level

1. Invite EU Member States to define (framework conditions for) the development of a consistent **network of international rail passenger services** (including night trains) involving corridors along for important origin-destination relations. A starting point is to identify the relations that connect European cities with more than 250.000+ inhabitants and (major) airports within a radius of 600km. The framework conditions would need to build upon existing legislation and cooperation. The corridors and the network would need to take into consideration already existing (and planned) services. For example framework conditions could include offering multi-annual capacity for international passenger services (secured frequencies and travel times on the defined origin destination relations), infrastructure development in line with TEN T specifications, agreements on rail security and where applicable border control and customs, commitments to improve railway interoperability and implementation of Time Table Redesign 2024 because TTR allows

planning of regular (also international passenger) services on a multi-annual basis;

2. Continue to work on missing links and bottlenecks in the **interoperable TEN-T international rail core and comprehensive network** for international railway passengers transport to connect national high speed and conventional rail networks.
3. Support the development **of cross border PSO contracts, based on competitive tendering**, only for the relations on which no attractive service can be operated on a commercial basis. Good practices to award cross border PSO contracts, covering elements such as cross border ticketing, passenger rights and international cooperation with infrastructure managers, safety authorities and regulatory bodies.

Bestuurskern

Dir. Openbaar Vervoer en Spoor
Veiligheid en Goederen

B. Actions at EU level

4. **Ensuring data availability & interoperability** to make (through)-ticketing and the provision of travel information easier (example Mobility as a Service). The technological and the commercial approach must include intermodal reservation and ticketing services with particularly air, maritime and road transport. Taking due account of OTIF provisions for intermodal services. Shift2Rail2 will be invited to take account of these needs and to support through research and innovation where needed.
5. Further develop **multi-modal passenger rights** that offer business opportunities and safeguards rights of passengers in multimodal transport chain.
6. Based on research, innovation, existing legislation / standards and existing sector initiatives, the Commission could launch legislative (supported by the work of ERA) and other initiatives to ensure **data standards (ontology), openness of data** to foster a:
 - a. Full implementation and application of TSI TAP including monitoring mechanism.
 - b. A competitive open market for selling international rail tickets, including by third parties.
 - c. Facilitate offer of cross border rail tickets by internet based selling, account based ticketing and include railways in the Mobility as a Service concept.
 - d. Air – rail complementary services offered to passengers in a competitive way;
7. Consider possible measures to promote the development of **the market for rolling stock** rental and leasing, including state aids, the role of EIB and Eurofima and the implementation of the Luxemburg rail protocol.
8. Enforce the application of **4th railway package technical pillar** to ensure efficient and timely authorizations of rolling stock for cross border passenger services. Next steps could include an issues logbook for international passenger services, on data interoperability, ETCS OBU and efficient cross border supervisions by NSA's.
9. Enforce the application of **4th railway package market pillar** to ensure a level playing field and harmonised rules for railway undertakings to initiate and operate international passenger services.
10. Following the European Court of Auditors report on high speed infrastructure and a fragmented network, designing an EC agenda for **international high speed services combining where needed both high speed and conventional infrastructure**. Coherent action must

ensure a good level of services / frequencies on the identified connections. A conceptual and legal framework should help to identify whether there a role for public service contracts.

Bestuurskern
Dir. Openbaar Vervoer en Spoor
Veiligheid en Goederen

4B: How can this be done?

In this paragraph some ideas are presented in which way international rail passenger services could be on the 2020-2024 EC agenda for transport.

As a follow-up to the paper the Netherlands ministry of Infrastructure and Water Management will invite interested Member States to set up a high level platform to take the international railway passenger agenda forward at national, cross border / corridor and at European level (coalition of the willing). The aim is to have the first meeting of the platform to take place February / March 2020. This platform will cooperate with sector parties and will prepare a Memorandum for consideration of transport Ministers. The Memorandum aims at ensuring the commitment of Member States in the development of international railway passenger transport and presenting the perspective on the related EU agenda. TEN-T days 13-15 May in Croatia may give the first opportunity for a public communication on this initiative.

Below are some more specific proposals to complement the ongoing actions at EU / Member States level linked to the aforementioned objectives.

- General perspective is to combine voluntary actions at Member States / sector level with where necessary regulatory approach (passenger corridors including infrastructure capacity, digital agenda, TEN-T interoperability). Developing international rail passenger services is a business opportunity based on open access services. Member States and EU can contribute to this by improving the framework conditions for rail and contracting international rail passenger services based on competitive tenders where the market does not offer this sufficiently.
- For action 1 **design and development of cross border railway passenger network** (see also suggestions included in the addendum)
 - As a first step, Member States should define international origin-destination relations with sufficient market potential based on specific criteria and on a sound market analysis.
 - For those rail passenger corridors Member States use / adapt an existing governance structure or set up a new governance structure which also includes infrastructure managers. As a first step, pilots could be launched, for example the case studies on the agenda for the 15 November 2019 workshop could be considered (Berlin – Amsterdam corridor, Prague – Bratislava / Vienna / Budapest, night trains Sweden).
 - Develop an implementation plan which includes measures to provide adequate infrastructure – interoperability – coordinated capacity (frequencies / travel times).
- For action 2 **interoperable TEN-T international rail core and comprehensive network** the TEN-T regulation 1315/2013/EU is the basis and includes obligations for Member States to complete the TEN-T core network corridors by 2030. In the EU (CEF, Cohesion / Regional) financing considerations including conditions may be given to cross border

interoperability issues (e.g. multiple electricity systems interfaces, ERTMS) and missing links.

- For action 3 **cross border PSO contracts based on the rules of the 4th railway package.** Here the EU legal framework is set in the 4th railway package. First EC could clarify the conditions under which the PSO regulation applies to international transport services. Secondly, Member States could identify good practice models to support further cross border PSO contracts (supported via CEF / Interreg ?) for contracting such services taking into account multiple infrastructure managers and their network access conditions. Also the inclusion of good practice models on cross border ticketing could be included here.
- For action 4 on **data availability** and interoperability. Shift2Rail1 IP4 (2014-2020) includes already projects on rail ticketing, Shift2Rail2 (2021-2027) could further support innovation in international rail ticketing and information services to passengers (i.a. Mobility as a Service, Account based ticketing)
- For action 5 on **multi-modal passenger rights** an analysis can be made.
- For action 6, identify shortcomings in current **data standards and openness of data legislation.** Present EU initiatives, supported by the work of ERA, include TSI TAP which gives a standard for Telematics in passenger services. The implementation is largely left to the railway industry. Additional work including consideration of possible legislative actions to establish an efficient market for tickets vendors/retailers is needed to achieve data interoperability within railways and with other modes, including aviation. The Strategic Programming Document ERA 2020 already refers to (pilot-) actions for data interoperability.
- For action 7 an analysis can be made on functioning **rolling stock market** for international passenger services.
- For action 8, full implementation and optimization of **4th railway package technical pillar is needed.** This requires a dynamic cooperation between ERA and National Safety authorities that is aiming at further streamlining of authorization procedures and is supporting innovations highly relevant for international rail. Among those innovations are digitalization of ticketing and travel information for passengers.
- For action 9 implementation of **4th railway package market pillar** is needed including (use of) implementing regulations, procurement procedures and regulatory oversight;
- For action 10 a focus is needed on the present status of **international passenger services in the European network** of dedicated high speed lines combined with (upgraded) conventional lines. The investments done at EU and national level must be instrumental in promoting the development of international rail services as expected and must be complemented by framework conditions set up by governments and Member States. EC gives a follow-up on the report from European Court of Auditors.
- Define a **(European) monitor on development of international rail passenger services** in an intermodal context. In such monitor market developments of service levels and use by passengers, investment levels, service quality, interoperability status are to be monitored. In the monitor also intermodal aspects may be covered. The Monitor can be part of existing monitoring instruments.

Bestuurskern

Dir. Openbaar Vervoer en Spoor
Veiligheid en Goederen

Addendum.

Developing an international railway passenger corridor (example)

Member States and Infrastructure managers are working together to develop well-functioning international railway passenger corridors which will attract new passengers and achieve modal shift from air and road to railways. As in the governance of rail freight corridors, Member States will work together in executive boards and Infrastructure Managers in management boards.

Within their respective competences Member States and infrastructure managers will undertake the following actions:

- **Market analysis.** Investigate international railway passenger transport markets with substantial potential to shift passengers from air and road to rail. High Speed and conventional railways. Reference point will be the analysis of connecting cities of <250.000> plus inhabitants within <600 km > distances to be connected with railway services of maximum 6 hours duration and frequencies of <8 trains per day >. Identify which services quality, also in terms of travel time and frequencies between cities is needed for the modal shift.. The market analysis will show the potential modal shift market and compare this to the existing international railway passenger market on the existing infrastructure. Building upon existing studies;
- Management Board will develop a **corridor implementation plan** for the corridor to be adopted by the executive board. Management board will analyse the existing infrastructure conditions and where needed develop proposals on meeting the reference values for infrastructure coming from the market study (travel times, frequencies). Proposals from infrastructure managers will focus on measures at short term and lower costs and may include:
 - Proposals for international capacity strategies and capacity models, following the tools of Time Table Redesign;
 - Interoperability enhancements (e.g. ERTMS, border stations facilities, traction current changing stations,)
 - Measures to introduce innovative technologies and tools on the corridor (example ATO, Hydrogen, passenger information and ticketing);
 - Infrastructure enhancement projects;
 - New infrastructure projects;
- Executive Board will establish a **corridor regulatory plan**. The objective is to understand present (deficiencies of) functioning of the railway market and asses potential measures. Regulatory bodies will be consulted. The analysis which may include measures for the passenger corridors which are already provided for by European legislation, including i.a.:
 - Capacity allocation (priority) rules in case of congested infrastructure. Art 39.1 2012/34;
 - Measures to support functioning rolling stock market. Applicable EU state aid rules;
 - Where applicable the frameworks for economic equilibrium tests for the corridor art 11.1 2012/34/EU as amended by 2016/2370/EU;

Bestuurskern

Dir. Openbaar Vervoer en
Spoor
Veiligheid en Goederen

- Measures on pricing, e.g. reduction of infrastructure charging for new services. Art 33.3 and 37 of 2012/34/EU
- Public service contracts for international railway passenger services on the corridor. As a start up support, to ensure high frequencies or other public objective. 1370/2007/EC
- Management board will publish a bi-annual **market monitoring report** for the corridor. Railway undertakings will support the monitoring by providing market data.

Bestuurskern

Dir. Openbaar Vervoer en
Spoor
Veiligheid en Goederen