

Position Paper

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Challenges faced by rail Infrastructure Managers to reach Green Deal and Sustainable and Smart Mobility strategy goals

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Executive Summary

With the Sustainable and Smart Mobility Strategy (SSMS), the European Commission presented its guidelines for the transport policy in the coming years. Transport must become more sustainable, intelligent and resilient. The Green Deal and its SSMS set ambitious goals: a 90% reduction in transport emissions by 2050, doubling passenger high-speed rail traffic by 2030 and tripling it by 2050, while increasing rail freight by 50% by 2030 and doubling it by 2050.

Meeting these goals will require a fundamental shift of traffic to rail. A renewed emphasis on how to assure high quality infrastructure investments and more rail capacity is needed. Consequently, the railway sector in general and Infrastructure Managers (IMs) in particular have a key role in reaching these goals. IMs must address 6 main challenges:

1. **Complete** missing links, specifically across borders, **and extend the rail network**, especially high-speed networks.
2. **Maintain, renew and upgrade an ageing rail infrastructure** in a customer-oriented way to ensure a high level of transport performance.
3. **Improve the utilization of the existing rail network** to increase the modal shift from road to rail, amongst others by the swift and coordinated deployment of ERTMS, Automated Train Operation (ATO) and Digital Automatic Coupling (DAC).
4. **Increase digitalization and automatization** of rail, especially in sensitive areas.
5. **Enhance infrastructure resilience & implement sustainability** requirements.
6. **Attract and retain a well-trained workforce**

To be able to meet these challenges, IMs

- must be given long term visibility, predictability and stability on funding to facilitate the planning and delivering of infrastructure renewals and development. Requirements: National and European funding programs should be enforced, stabilized as well as aligned to the ambitions and deadlines of the SSMS and TEN-T: 2030, 2040, 2050.
- should coordinate investment projects along international corridors and prioritize them where required in accordance with existing EU law, considering the growing demand in rail traffic and an increase of maintenance works with heavy impacts on capacity. Requirements: harmonized infrastructure investment planning with matching grant procedures, an EU 2050 target infrastructure network picture and enforcement of the EU existing principles for an international coordination of construction works.
- should implement harmonized digitalized processes, IT tools and digital solutions to ensure optimized and coordinated infrastructure capacity utilization across Europe. Requirements: legal basis for TTR, co-funding for TTR & DCM, sufficient funding and a strategy for the deployment of digital solutions (DAC, ATO, ERTMS).
- should integrate the principles of infrastructure resilience and sustainability into new projects and all ordinary processes.

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- should work together to generate, attract, train and retain the required workforce.

1. Extending and completing the TEN-T rail network: an economic challenge for IMs

The Trans-European Transport Network (TEN-T) makes up 123 000 km out of approximately 201 000 km of overall railway lines in Europe. To complete the TEN-T, investment of approximately € 1 500 billion will be required by 2050¹. The TEN-T for railways will require most of this funding.

Currently financing of European IMs is largely based on a mix of public subsidies and revenues from track access charges (TACs). European contributions complete this framework, mainly through the Connecting Europe Facility (CEF) for Transport.

However, the CEF II budget for the years 2021 – 2027 amounts to € 26 billion and hence does not sufficiently cover the necessary investments. Furthermore, no outlook on how the CEF program will continue beyond CEF II has been provided yet. Raising TACs is also not a viable solution.

Hence, a massive political commitment from the European Institutions and Member States to increase public funding is needed to realize the required massive investments in the rail network.

We ask the European Commission to

- **increase CEF funding, especially the envelope for rail,**
- **and to continue the CEF funding beyond 2027, in line with the objectives of the TEN-T and aligned to its completion deadlines 2030, 2040 and 2050.**

Additional co-funding sources must also be available to perpetuate investments in rail projects. For instance, the Recovery and Resilience Facility, Cohesion Fund, European Regional Development Fund, Horizon Europe and European Structural, Investment Funds, as well as the Emissions Trading System (ETS). Other tools such as **Private Public Partnerships, National Funds, and the emission of Green Bonds** may complement the infrastructure funding model.

2. Realising projects and backlog resorption works: a challenge to manage the impact on capacity

Fundamentally rebuilding the rail network and maintaining a high infrastructure standard is required to achieve the necessary operating performance and capacity to allow for the desired growth in rail traffic. However, the high utilization of the TEN-T core network lines makes it challenging to conduct construction sites for the maintenance and renewal of assets while at the same time serving a growing demand in rail services.

To mobilize sufficient financial and industrial resources, as well as to have sufficient network capacity for passenger and freight traffic while carrying out this large amount of infrastructure works, it is essential to

- **where relevant, coordinate these investment projects at international corridors and to prioritize them in accordance with EU law, on the basis of the core network and the most heavily used lines of the network.**

¹ Based on *impact assessment* on TEN-T revision, not including additional issues linked to an extension beyond the borders of the Union.

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- align the availability of funding and the time of infrastructure works to facilitate the planning of IM assets' maintenance and renewal, as well as the coordination of those construction works among IMs.

We ask the European Commission

- to ensure that Member States adopt multi-annual infrastructure investment plans that are coherent with the priorities and deadlines set out in EU law, taking into account the alignment needs across borders. ,
- to harmonize infrastructure investment planning between member states in a way that ensures a predictable and coordinated planning of construction sites in the long term while leaving enough flexibility for small-scale adjustments in the short term,
- to match EU grant procedures to the planning, so that they facilitate a predictable investment planning,
- to develop an EU 2050 target infrastructure network picture of infrastructure development projects and where needed their prioritization, long-term infrastructure investment planning and the resilience of the rail network,
- and to enforce EU existing principles for an international coordination of construction works to optimize investments and the use of the capacity along corridors.

3. Responding to growing demand while increasing infrastructure works: a challenge to optimize the use of infrastructure through digital solutions

Rail capacity is a scarce resource and shall be used as efficiently as possible to shift more traffic onto the railways. Timetable Resign (TTR) and Digital Capacity Management (DCM) will help to optimize the use of rail capacity and infrastructure. In addition, the deployment of digital solutions (e.g. Digital Automatic Coupling, Automated Train Operation, and ETCS) will considerably increase the capacity on the existing rail network.

We ask the European Commission

- for a swift review of the applicable European rules allowing for TTR to be implemented as soon as possible,
- for co-funding support addressed at IMs and Railway Undertakings (RUs) in all areas of capacity and train path management, including for introducing DCM and TTR together with the modification of the rules and implementation of IT tools,
- to set up a strategy for the timely and coordinated deployment of digital solutions in rail such as DAC and ATO through ETCS by 2030,
- to include funding for the deployment of ERTMS and DAC, especially for involved infrastructure adaptations, in the next CEF,
- and to identify further funding solutions for the DAC deployment.

4. Creating a harmonised European railway area: a challenge to digitalize and define common solutions

Digitalization and automatization are needed to create a more reliable and interoperable rail network adapted to European traffic management current and future solutions, and a leap in operating performance for better customer service.

For the rollout of the “digital railway”, the System Pillar of Europe’s Rail Joint Undertaking (ERJU) needs to deliver within the next few years transparent common solutions respecting cost efficiency criteria and bringing a reasonable return on investment.

5. Fostering resilience and sustainability in infrastructure projects: a challenge to measure and assess

Railway projects represent a key opportunity to trigger new dynamics of economic, social, environmental, and touristic development of the territories involved in the construction of infrastructure. Promoting sustainable and quality infrastructure investment requires a holistic approach so that infrastructure development can deliver the highest benefits at reasonable cost across project life cycles.

Therefore, most IMs have started to develop methods to integrate sustainability over the entire project life cycle to improve the quality of rail investments in line with the international strategic policies for sustainable infrastructure.

Resilience and sustainability are criteria that will increasingly influence the investment and innovation choices of IMs, also considering the increasing vulnerability of rail infrastructure to climate hazards, **so it is necessary to implement future and existing requirements such as Corporate Sustainability Reporting Directive obligations, taxonomy and others related to sustainability.** Regulation (EU) 2020/852, establishing the criteria for determining whether an economic activity qualifies as environmentally sustainable, is a good start to define the degree to which an investment is environmentally sustainable.

Moreover, a strong commitment of the whole rail sector to the Sustainable Development Goals (SDGs) will contribute to the development of safer, more resilient and sustainable railways all over in Europe.

6. Attracting and retaining a well-trained workforce

In the railway sector, safety is a very important factor. Sufficient skills are currently assured by IMs to guarantee safety in regular, disruptive and emergency situations. It will be a challenge to find and retain for the long-term qualified employees on the labor market, which is already facing difficult times in terms of recruitment. This is a long-term process depending on the members state, its social conditions and backlogs, that will requiring significant financial support for the IM.

IMs should exchange experiences, share best-practices and work together to generate, attract, train and retain the needed workforce.

About CER

The Community of European Railway and Infrastructure Companies (CER) brings together railway undertakings, their national associations as well as infrastructure managers and vehicle leasing companies. The membership is made up of long-established bodies, new entrants and both private and public enterprises, representing 73% of the rail network length, 76% of the rail freight business and about 92% of rail passenger operations in EU, EFTA and EU accession countries. CER represents the interests of its members towards EU policy makers and transport

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stakeholders, advocating rail as the backbone of a competitive and sustainable transport system in Europe. For more information, visit www.cer.be or follow us on Twitter [@CER_railways](https://twitter.com/CER_railways) or [LinkedIn](https://www.linkedin.com/company/cer-railways).

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