



Sector Stakeholder Statement on International Rail Passenger Services

General

The European Rail Sector stakeholders¹ support the work of the International Rail Passenger Platform and the willingness of its members to improve international rail passenger services. They commit to contribute to the ongoing work of the Platform and to advise on the way forward for a European agenda for the development of international rail passenger services.

The rail sector realizes that the status quo is not an option: the international transport systems of Europe need to be adapted to face the challenges of the ongoing and accelerating climate crisis. An interconnected and competitive network of rail passenger services will underpin the economic, social, and environmental sustainability of our continent. It will advance realisation of the Green Deal, securing modal shift whilst enhancing sustainable mobility; strengthen European cohesion by reinforcing connectivity and fair development, not only in the most densely populated areas but also with less well-connected regions.

The rail sector is aware that improvements are imperative in the way international rail services are offered, marketed, and performed. Rail should become the backbone for international travel for passengers: improvements to the availability and online distribution of tickets, travel information, onboard services and better support during disruptions are required. Additionally, a fully integrated and harmonized infrastructure network is needed, ensuring frequent high speed passenger services connecting key passenger hubs.

Rail plays a key role in the delivery of Europe's goals of cutting greenhouse gas emissions, reducing air pollution, and relieving congestion. The sector will support the European Commission and the Member States in achieving the goal of the European Green Deal of reaching climate neutrality by 2050. We emphasise that railway undertakings have already developed international passenger cross-border products and services and we commit to work collaboratively in a fair, reasonable, and non-discriminatory way, and to take an active role in the further developments to achieve the mutually beneficial goals in the international rail passenger area. We are also committed to the full achievement of the Single European Railway Area. All parties involved have a key role to play in removing the barriers that exist related to digitalization, infrastructure, rolling stock, and legislation.

Looking at the short to medium term, the Covid-19 pandemic has reinforced the need for reappraisal of the whole transport sector, and the particular contribution that rail can make to building back better. The Covid-19 pandemic produced from its earliest stages a real

¹ Encompassing representatives of railway undertakings (CER/ALLRAIL/UIC/CIT) and infrastructure managers (EIM/CER/UIC), railway suppliers (UNIFE), passenger and consumers' organizations (EPF/BEUC), travel companies (EU Travel Tech/ECTAA) and distributors (EU Travel Tech/ALLRAIL)

shock for the transport sector with a massive reduction of transport volumes, resulting in heavy losses in revenue. The rail sector was also hit hard², and it will take several years to get back to former levels of ridership. Adequate, flexible, and non-discriminatory support to railway undertakings, infrastructure managers and ticket vendors will be needed throughout the European Union without distorting competition, taking into account the specificities of the railway sector commensurate with the revenue loss in 2020, 2021 and beyond due to the expected slow recovery, is needed to support the development of the international railway passenger transport market and the competitiveness of the sector vis-à-vis other modes of transport. Even so, rail demonstrated its vital role in ensuring resilient, reliable, and safe transport of both rail passengers and freight. Building on this foundation, and by responding innovatively to new market opportunities, the railway sector can be at the heart of sustainable mobility and cross-border connectivity in a greener Europe.

Specific

1. Making international passenger rail the preferred mode of transport

The development of more attractive and new concepts for international services and their connectivity must first be based on sound market analysis to inform estimates of their long-term viability and therefore sustainability. The sector is ready to work with Member States and European institutions in undertaking this essential work. In addition, the sector supports the European Commission's intention to have 15 pilots operational by 2030 and is ready to work with all relevant stakeholders to achieve their successful implementation. We support the ambitions set out in the Smart and Sustainable Mobility Strategy (SSMS), especially its targets to double and triple high-speed rail traffic by 2030 and 2050 respectively, as well as to use the full potential of economically sustainable night trains for international train passengers.

For rail to increase its market share, services must be tailored to the needs of users. The sector is ready to seize the opportunities to replace short-haul flights and medium-distance road journeys by attracting passengers to rail and offering convenient links between key passenger hubs. To provide easy access to simple, reliable, and comprehensive information to customers, digitalisation will be an enabler (through an increased use of e-ticketing and a better access to dynamic travel information for instance). There is a need for action at European level to ensure transparency and to create a level playing field between Railway Undertakings and third-party vendors or Mobility as a Service providers, for selling tickets on fair, reasonable and non-discriminatory (FRAND) commercial principles. In order to tap the full potential of this increased digitalisation, all market players, from railway companies to third-party ticket vendors or trip planners, should have access to the same quality of static and dynamic data through FRAND agreements. At the same time, it is important to avoid, through adequate EU action, market asymmetries, current and potential, or for any player to establish themselves as gatekeepers.

Rail's safety, sustainability, reliability, comfort, convenience, connectivity, and affordability, together with shorter travel times, will make its services more attractive to passengers, encouraging significant modal shift. The sector is ready to cooperate more closely with the air sector with the aim of integrating air-rail journeys. Finally, it is acknowledged that further improvements have to be made on passenger rights. We

² The estimated loss of turnover in rail passenger services in EU27 for 2020 appears to be close to EUR 24.5 billion or -42% compared to 2019. In December 2020, the estimated average loss reached the record amount of more than EUR 550 million per week or -50% compared to the turnover of December 2019.

therefore commit to explore common principles of a multimodal framework for passenger rights that is simplified, and harmonised.

Concretely, the rail sector commits to:

- be the backbone of a seamless and integrated multimodal transport system in close cooperation with the other transport modes, in particular by linking major urban centres with high-speed rail connections and connecting peripheral urban areas with city centres;
- implement e-ticketing for all passenger services, provide dynamic travel information, with the aim of completing digitalization in rail transport and provide easy access to simple, reliable, and comprehensive information to customers of rail services, whichever distribution channel they have chosen to buy their tickets;
- promote technological innovation and the implementation of new digital solutions for providing better services and attract new passengers;
- implement the existing regulation and obligations for all railway undertakings together with taking concrete steps to implement the ongoing sector-based initiatives such as Open Sales Distribution Model (OSDM)/Full Service Model (FSM)³;
- support initiatives based on the digital markets act, digital services act and the sustainable and smart mobility strategy at European level to ensure transparency and to create a level playing field between Railway Undertakings and third-party vendors or MaaS services' providers, for selling tickets (international and national services) on fair, reasonable and non-discriminatory (FRAND) commercial principles, and cooperate actively with the European Commission for the preparation of such initiative;
- increase the booking horizon for international passengers in order to be competitive with air transport;
- develop more rail-through tickets and promote the use and awareness of journey continuation agreements with all the rail sector actors, which assist passengers who have missed a connection due to delay or cancellation of the previous train;
- cooperate more strongly with the air sector with the aim of integrating air-rail journeys and promoting rail as an attractive low-carbon alternative for many journeys;
- support measures aiming at strengthening rail passengers' rights.

2. Providing good quality infrastructure and capacity

Enhancing interoperability, coherent timetabling, and capacity management as well as completion of missing links and removal of bottlenecks are prerequisites for seamless cross-border journeys.

The TEN-T network is the basis for most international rail passenger services which addresses the above-mentioned points. Its further development shall contribute to better

³ OSDM/FSM is the Open Sales Distribution Model and Full Service Model, developed by the railway undertakings, ticket vendors and UIC. This initiative delivers exhaustive specifications for an open, plug-and-play IT framework for ticket sales, reservation and price distribution of rail tickets.

interconnection of the existing international passenger network. Therefore, the timely completion of the TEN-T Network by 2030 and 2050 is a priority as well as contributing to the cohesion of the European Union.

Looking at the TEN-T network beyond 2030, the development of a high-speed network connecting all EU capitals and major cities will be important to further increase international passenger services and reach the targets indicated in the SSMS.

Capacity management related activities– timetable-based capacity dimensioning, planning and safeguarding - will help railway infrastructure managers to accommodate forecasts of growing market demand. Initiatives such as 'Eurolink' or the Timetabling and Capacity Redesign (TTR) process will play a vital role in this regard. The sector commits to support the TTR process which will allow for a more flexible planning of railway infrastructure capacity while at the same time increasing its quality.

3. Making railways more competitive vis-à-vis air and road transport

In order to deliver the economic and consumer benefits of competition, a fair level playing field is essential. Creating a level playing field for all international passenger transport modes by implementing user-pay and polluter-pay charging, e.g., abolition of VAT on international train tickets in all Member States and with an equal treatment of fuel taxation will make pricing more transparent and railways more competitive. For this reason, we commit to pursuing the internalisation of our external costs and call on the Member States and European institutions to put in place an alignment of tax treatment between competing transport modes together with the development of additional measures likely to meet the objectives of the Green Deal. We call the legislators to help us create this level playing field with other modes of transport, by applying internalization of external costs for all modes of transport and harmonizing VAT on rail tickets.

The rail sector also calls upon the Member States and European Commission to carry out the homogenous⁴ implementation and enforcement of the existing relevant legislation across Europe, including further work to develop common principles governing passenger rights across different modes, to remove market barriers and to ensure the full establishment of the Single European Rail Area.

4. Investments in railways

Targeted smart investments in accordance with the market and societal needs are crucial for the successful realization of the international rail passenger network as they result in infrastructure improvements, interoperable rolling stock, and power and signalling systems, creating opportunities for more international destinations connected with long-distance trains. We strongly support the intention to explore all possibilities and financial resources that will back up interoperable and seamless cross-border rail connections and services.

Long-term investment planning and coordinated infrastructure maintenance and development are needed to provide high quality international rail passenger services all over Europe. A stable and long-term financial framework is key for the railway industry in this regard. It is essential to speed up the implementation of cross-border infrastructure projects by making use of the existing financial tools and incentives. Public investment into TEN-T and rail infrastructure, consistent deployment of ERTMS, homogenous

⁴ E.g., different national rules for Covid-19, language requirements, interoperability rules, and taxation.

electrification, long distance interoperable rolling stock financing, 5G deployment and enabling a high frequency European high speed rail network connecting major urban centres is essential to realise international rail passenger services.

Public investment into collaborative research initiatives (e.g., Europe's Rail Joint Undertaking within Horizon Europe) is key for the delivery of new technologies/solutions that will contribute significantly to the attractiveness and competitiveness of rail transport. The Sector looks forward to working with the public authorities in consolidating Europe's leading position in rail research and innovation through the new Europe's Rail Joint Undertaking.

5. Conclusions

The sector's stakeholders look forward to working collaboratively with authorities, Ministries and European institutions to achieve the completion of the Single European Railway Area, supporting market opening and ensuring interoperability. This achievement will provide the backbone of sustainable, interoperable long-distance connections that will ensure climate neutral collective transport for journeys up to 800 km by 2030.

The sector will continue working closely in the International Rail Passenger Platform to achieve the overarching targets for the development of the international rail passenger services.