Revision of Regulation (EU) 913/2010 concerning a European rail network for competitive freight

This briefing is one of a series of implementation appraisals produced by the European Parliamentary Research Service (EPRS) on the operation of existing EU legislation in practice. Each briefing focuses on a specific EU law that is likely to be amended or reviewed, as envisaged in the European Commission's annual work programme. Implementation appraisals aim at providing a succinct overview of publicly available material on the implementation, application and effectiveness to date of specific EU law, drawing on input from EU institutions and bodies, as well as external organisations. They are provided by the Ex-Post Evaluation Unit of the EPRS to assist parliamentary committees in their consideration of new European Commission proposals, once tabled.

SUMMARY

Boosting rail freight transport is an essential pillar of the European Union's long-term policy to make transport more sustainable by cutting greenhouse gas emissions and decarbonising the sector. However, rail freight transport has faced numerous barriers in its development, and its growth is held back by its lack of competitiveness with other modes of transport such as road transport. Regulation (EU) 913/2010 was designed to facilitate rail freight transport across the EU rail network, through the creation of rail freight corridors, but the potential of those corridors has not been fully exploited. While the regulation was conducive to enhanced cooperation across borders, its implementation did not lead to an increase in rail freight transport along the corridors, with insufficient coordination on traffic management and infrastructure works.

Against this backdrop, the Commission has launched a two-step revision process for Regulation (EU) 913/2010. The first step consists of a limited revision, in conjunction with a revision of the Trans-European Transport Network Regulation, focused on aspects of geographical alignment, governance and investment planning. The second step will be a wider revision leading to a recast proposal scheduled for the last quarter of 2022.

Background

Following the adoption of the Paris Agreement, aimed at limiting global warming to well below 2°C above pre-industrial levels, the parties committed to national contributions to reduce their emissions. In December 2020, the EU and its Member States pledged to reduce their emissions by at least 55% from 1990 levels by 2030. With transport being the source of a quarter of all greenhouse gases (GHG) in the EU, and road transportation accounting for more than 70% of transport-related emissions, reductions in transport emissions play an important role in achieving this target. Given the overarching goal of achieving climate neutrality by 2050, namely net zero GHG emissions, the European Climate Law envisages a 90% reduction in transport emissions.
Rail and waterborne transport are considered to be more GHG efficient than road transport and aviation, for both passengers and freight alike. Therefore, EU transport policies have long been targeted towards achieving a gradual shift from road to other modes of transport such as rail and inland waterways. Over the years, the Commission has developed this policy orientation, not least through two important white papers, issued in 2001 and 2011. The 2001 white paper ‘European transport policy for 2010’, issued ahead of the eastern enlargement of the EU, aimed to address the challenges facing EU transport. It proposed a package of 60 measures, including actions to revive rail transport and promote sea and inland waterway transport. It envisaged the creation of ‘multimodal corridors giving priority to freight’, later outlined in a dedicated communication on options for a rail network prioritising freight transport. The second white paper, in 2011, set out to achieve 10 goals to accelerate the reduction in GHG emissions, including the completion of the trans-European transport network (TEN-T). With respect to rail freight, the objective was to shift 30 % of road freight over 300 km to rail or waterborne transport by 2030, with more than 50 % by 2050.

Since early 1990, the ambition behind the TEN-T has been to create a multimodal network including rail, inland waterway, road, maritime and air transport to facilitate the transport of goods and passengers across the EU. The network is composed of a dual structure with a comprehensive network ensuring connections between all EU regions, and a core network connecting parts of the comprehensive network that are of high strategic importance.

These developments slowly paved the way for the adoption in 2010 of Regulation (EU) No 913/2010 on a European rail network for competitive freight (EU Rail Freight Regulation), laying down rules for the creation of international rail corridors for freight. The regulation was designed to strengthen cooperation between railway infrastructure managers, striking the right balance between freight and passenger traffic, and promoting intermodality between rail and other transport modes. Eleven rail freight corridors have been established by the regulation so far.1 However, the target of shifting 30 % of road freight to rail has still to be met. On the contrary, the share of rail in inland freight decreased from 18.3 % in 2011 to 17.9 % in 2018 with wide disparities in modal rail shares among the Member States. In 2019, road freight transport still accounted for 76.3 % of total inland freight transport, followed by rail and inland waterways transport (17.6 % and 6.1 % respectively). Therefore, in its sustainable and smart mobility strategy, released in December 2020, the Commission outlined a number of measures designed to revamp the existing framework for intermodal transport. When it comes to rail freight, this includes several legislative revisions, such as the revision of the Combined Transport Directive and revisions of the regulations governing the rail freight corridors and the TEN-T core network corridors.

Following a 2018 implementation report on the EU Rail Freight Regulation and an evaluation in 2020, the Commission concluded that the regulation did not meet market needs, with unsatisfactory capacity allocation and works coordination across the network. To address the shortcomings identified, the Commission has launched a two-step revision process that includes: i) a limited revision, in conjunction with the revision of TEN-T Regulation, focused on aspects of geographical alignment, governance and investment (December 2021); and ii) a wider revision leading to a recast proposal scheduled for the last quarter of 2022.

The EU Rail Freight Regulation included an initial list of nine corridors, of which six were to be established by 2013 with the remaining three by 2015. Proposals for further corridors were accepted provided they satisfied specific criteria under Article 4 of the regulation. These criteria include: the crossing by the freight corridor of the territory of at least three Member States, or of two if the distance between the terminals along the corridors is greater than 500 km; coherence of the freight corridors with the TEN-T and European rail traffic management system (ERTMS) corridors; integration of TEN-T priority projects into the freight corridors; and existence of good interconnections with other modes of transport. The ERTMS is a single control, signalling and communication system composed of: i) an on-board unit that supervises train movements coupled with a balise deployed trackside and ii) a radio system providing voice and data communication between track devices, the train and traffic control centres.
The governance structure for each rail freight corridor (RFC) includes an executive board and a management board, responsible for the following:

- **Executive board**: Consisting of representatives of Member States' authorities, that defines the general objectives for the freight corridors, supervises the work of management boards, approves investment/implementation plans and acts as an intermediary in case of disagreements.

- **Management board**: Consisting of representatives of infrastructure managers, responsible for the following:
  - Implementation plans for each corridor including their periodic review;
  - Transport market studies covering each freight corridor;
  - Investment plans with indicative medium and long-term investment for infrastructure in the corridors;
  - Documents for each corridor including the implementation plan, information from the network statement (Directive 2001/14/EC), list and characteristics of terminals and procedures;
  - Coordination of interoperable IT solutions to address requests for international train paths as well as the operation of international traffic on the corridor;
  - Monitoring the performance of freight services on each corridor and yearly publication of results.

The management board is supported by two advisory groups as follows: 1) an advisory group made up of managers and owners of terminals, including sea/inland waterway ports; 2) an advisory group made up of railway undertakings. The infrastructure managers jointly define and organise pre-arranged train paths for freight trains as well as reserve capacity. Lastly, a **corridor one-stop shop** was set up for each freight corridor allowing applicants to request train paths for trains crossing at least one border along the freight corridor. The one-stop shop essentially consists of one person. Applicants can request information on infrastructure characteristics, such as speed, length, loading gauge and axle load for trains running on the corridor.

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**Glossary**

- **Railway infrastructure**: Is defined in Annex I of Directive 2012/34/EU establishing a single European Railway Area. It includes, inter alia, railroad tracks, platforms, safety, signalling and communication installations, bridges etc.

- **Infrastructure manager**: Any body or undertaking that is responsible for operation, maintenance and renewal of railway infrastructure. This includes: train path allocation, traffic management and infrastructure charging as well as operations to maintain and renew existing infrastructure.

- **Railway undertaking**: Any public or private undertaking which provides services for transport of goods and/or passengers by rail.

- **Allocation**: Allocation of railway infrastructure capacity by an infrastructure manager.

- **Infrastructure capacity**: Potential to schedule train paths requested for an element of infrastructure for a certain period.

- **Temporary capacity restrictions**: Construction work necessary to keep the infrastructure and its equipment in good condition and to allow infrastructure development in accordance with market needs.

- **Train path**: Infrastructure capacity needed to run a train between two places over a given time-period. A train operator needs to request a train path from an infrastructure manager to run a train on their tracks.

- **Pre-arranged path (PaP)**: A pre-constructed train path on a rail freight corridor according to Regulation 913/2010. A PaP may be offered either on a whole rail corridor or on sections of the corridors forming an international path request crossing one or more international borders.

- **Reserve capacity**: Capacity – PaP – kept available during the running timetable period for ad-hoc market needs (Article14(5) Regulation 913/2010).

- **Freight corridor**: All designated railway lines, including railway ferry lines, on the territory of Member States, and, where appropriate, European third countries, linking two or more terminals, along a principal route.

- **Terminal**: Installation along the freight corridor arranged to allow either the loading and/or the unloading of goods onto/from freight trains, and the integration of rail freight services with road, maritime, river and air services.

- **International freight service**: Transport services where a train crosses at least one border of a Member State.

**Source**: European Commission.
EU-level reports and evaluations

Evaluation of the EU Rail Freight Regulation

The Commission published an evaluation of the EU Rail Freight Regulation in September 2020. In its evaluation the Commission classified the objectives of the regulation as follows:

1. **General objectives**: improving cooperation, giving priority to rail freight traffic, simplifying the use of infrastructure, and integrating rail freight into multimodal transport.

2. **Specific objectives**: improving coordination between infrastructure managers and other parties, planning/coordinating investments, improving interoperability and operational conditions for freight services, guaranteeing access to adequate infrastructure capacity, facilitating use of rail infrastructure, and improving intermodality between corridors.

**Relevance**

Regarding the relevance of the objectives, both sets were considered still to be relevant in addressing key barriers. However, major changes had occurred that could not have been anticipated when the regulation was developed, including, in particular, a change in the commodity structure, with less coal and iron ore transported by rail, different performance requirements of shippers/forwarders, the use of combined transport but also the introduction of new digital technology (i.e. automation).

Concerns emerged over the duplication of certain objectives as some were already being addressed under other existing policies (e.g. the TEN-T Regulation). For instance, the Commission noted that investment and deployment plans overlapped between the rail freight corridor bodies (RFC) and the core network bodies (CNC) as the latter usually developed investment plans covering both passenger and freight transport.

Furthermore, overarching tasks applying to all freight corridors could not be tackled by a single decision making body, with consequences in terms of governance and management. As such, the executive boards launched an informal network to address governance issues. At network level, meanwhile, RailNetEurope (RNE), bringing together infrastructure managers and rail freight corridors, played the role of 'inter-freight corridor coordinator', responsible for developing guidelines, key performance indicators (e.g. punctuality, speed) and monitoring tools. Finally, cross-corridor coordination was not defined in the regulation. However, it was deemed necessary to lead neighbouring/overlapping corridors to open cooperation channels with the participation of terminal operators and shippers.

Regarding the competences of the executive and management boards, the former was able to exercise its supervisory role, but this was insufficient to achieve network-wide harmonisation, meaning that prevailing national interests affected decision-making. While the management boards were able to exercise their coordination role, they were overwhelmed with strategic tasks for which they were not competent. The Commission estimated that a clearer definition of the role of the freight corridors' bodies for strategic tasks was therefore needed. The use of the one-stop shop was found to be far below expectations as it did not meet the needs of rail freight transport, which required more flexibility.

While the objectives of the regulation remained relevant with respect to European transport and environmental policy goals, i.e. the transport white papers and the European Green Deal, its impact was not considered significant. This was due primarily to the small segment served by rail freight transport and to the small changes delivered by the instruments introduced via the regulation. For instance, despite a 10% increase in freight transport between 2010 and 2017, rail freight transport in the EU still only accounted for 11.3% of total freight transport in 2017.
Effectiveness

Overall, the network of freight corridors was considered to comprise all the relevant lines. All the provisions of the regulation had been implemented as regards the creation of the governance bodies and information to access the services of the rail freight corridors.

Between 2016 and 2018, the share of requested pre-arranged train paths was 33% to 35% of the total capacity across the nine freight corridors. Two main limitations were identified as follows: i) subsequent changes after train path allocation due to infrastructure works or changing needs of railway undertakings, and ii) a lack of harmonisation at border crossings. The EU Rail Freight Regulation did not define specific requirements as to the quantity of pre-arranged paths to be offered, leaving infrastructure managers wide room for manoeuvre. Most importantly, the quantity of capacity allocated by the one-stop shops depended on the capacity that the infrastructure managers transferred, on a voluntary basis.

In addition, requests for reserve capacity, namely for ad-hoc requests, were found to be unsatisfactory by the railway undertakings, given that many needed to be changed a few days before the actual train runs, and not 30 days before as required. Finally, a lack of existing interfaces between the IT system used by the one-stop shop (path coordination system) and the national systems was considered problematic. All these factors taken together limited the one-stop shops' control over the capacity offered on the freight corridors.

With respect to traffic management in the event of disturbance, common targets for punctuality and/or general guidelines were adopted by the freight corridors. However, priority rules differed significantly across countries with passenger transport frequently favoured over freight transport. Therefore, infrastructure managers not sharing the same priority status led to instances where freight trains were not being granted priority status. Finally, overlapping responsibilities between the RFC and the CNC were highlighted with respect to implementation plans and transport market studies, with the latter focused on the volume of rail freight transport on each corridor.

Regarding the achievement of the general objectives, several observations were made:

- With only 10% of rail traffic being allocated through one-stop shops, the regulation had not led to a prioritisation of rail freight transport.
- Coordination between infrastructure managers and with other stakeholders had improved.
- The existence of separate processes to request train paths, one at national level and one through one-stop shops, with final decision making at national level, did not simplify the use of rail infrastructure.
- Integration of rail freight into multimodal transport had not been enhanced given poor conditions in last-mile connections in need of technological upgrade e.g. loading facilities at terminals.

Regarding the achievement of the specific objectives, several observations were made:

- Consistency with the TEN-T and ERTMS corridors had not been achieved, in particular with respect to investment, deployment of technologies, telematics applications and transport market studies.
- Coordination on medium and long-term investments to increase capability and interoperability was seen as low.
- A low level of priority was given to freight trains because of a lack of coordination between infrastructure managers; progress had however been made on punctuality in the event of a disturbance.
- There was an inability to improve the quantity and quality of infrastructure capacity with no qualitative difference found between freight corridor paths and other paths in terms of journey time, punctuality and commercial speed. More specifically: i) the capacity allocation did not meet the needs of the railway undertakings not informed sufficiently
in advance of the circulation of freight trains; ii) there was a lack of flexibility in the paths offered; iii) the IT path request tool was complicated.

One-stop shops were inefficient owing to limited staff levels coupled with an inability to address several issues simultaneously (i.e. from coordination to traffic management).

There had been little impact on improving intermodality transport along the corridors with respect to coordination with terminal operators; this could be explained by the absence of a track and trace system showing the position of trains, but also by logistical challenges at terminal points.

Based on Eurostat data collected between 2007 and 2016, the Commission concluded that while the modal shares of road, rail and inland waterways remained unchanged, the modal share of rail freight for the majority of Member States declined between 2011 and 2017. However, according to academic estimations, for distances over 300 km, the share of rail freight transport was higher than the share for road. The Commission found that intermodal units were almost entirely transported by train over distances longer than 300 km, and that the distance segment over 900 km had increased since 2013.

**Efficiency**

The cost of establishing the freight corridors amounted to €55 million of which €35 million had been co-funded by the EU. A quantitative comparison between the costs that stakeholders had to bear and the benefits resulting from the implementation of the regulation was not possible. In qualitative terms, the regulation had improved coordination and cooperation between actors, increased the flow of information and knowledge of the market, and improved coordination of capacity allocation along the railways and in the terminals.

Transport operating costs and journey times were highlighted as important potential areas for cost reductions. Stakeholders also stressed that coordination, interoperability and the availability of pre-arranged path capacity as well as traffic management in the event of disruption had the greatest potential to increase the benefits. Furthermore, clarity was needed as to the role of executive boards, which could be empowered to set targets for their corridors. Finally, more structured collaboration between neighbouring/overlapping corridors was needed.

**Coherence**

The regulation was considered to be widely coherent with other EU regulations for the railway sector. However, overlaps were found, for instance, with regard to provisions on capacity allocation and infrastructure works under the Single European Railway Area Directive 2012/34/EU, responsibilities of core network corridors/freight corridors under the TEN-T guidelines, and financing rules under Connecting Europe Facility. Nevertheless, in practice, addressing these overlaps had not created any major issues.

Most worrisome, however, remained the overlap with the TEN-T Regulation on investment and interoperability planning. The TEN-T Regulation required coordination with the freight corridors (Article 48), but the means of coordination and the responsibility of institutions were not specified. Moreover, the freight corridors included sections not part of the core network corridors. This contravened the EU Rail Freight Regulation which called specifically for the integration of freight corridors into the existing TEN-T and ERTMS corridors.

Regarding interaction between the EU Rail Freight Regulation and national legislation, Member States retained competences for the national parts of investment planning. Differences in capacity allocation were driven by national policy decisions, which tended to favour passenger transport over freight transport.

**EU added value**

The regulation aimed to prioritise international rail freight transport by improving capacity allocation via one-stop shops and pre-arranged paths. This has led to the development of a common European rail freight community bringing together all the stakeholders and contributing to
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awareness that rail freight transport can only develop successfully if all parties cooperate. While the choice of instruments and their characteristics have not proven successful in meeting the needs of the market, this collaboration has opened the door to the development of enhanced instruments better able to meet the needs.

European Parliament resolutions/MEPs' written questions

European Parliament resolutions

In its resolution of 6 July 2021 on railway safety and signalling, the European Parliament deplored the reduction in the European Railway Agency's annual budget given its role in ensuring consistency in the development of interoperable European rail traffic management system (ERTMS). Members proposed establishing a regulatory framework for a digital transformation of the railway system with the ERTMS at its centre. At the end of 2020, only 13 % of core network corridors were operating in accordance with ERTMS, and deployment in most corridors was between 7 % and 28 %. Members therefore asked the Commission to: i) introduce a regulatory provision ensuring that the ERTMS national implementation plans were legally aligned with the EU's binding ERTMS deployment targets; ii) develop a decommissioning strategy for older signalling systems with binding deadlines at EU level; iii) strengthen the role of core network coordinators in the revision of the TEN-T Regulation, and iv) design jointly with the European Railway Agency a common European model for public procurement for ERTMS deployment.

In its resolution on 15 December 2020 on a European Year of Rail, Parliament called for significant investments with respect to implementing the TEN-T and increasing the efficiency of the rail freight corridors. The Commission was invited to consider initiating: i) a study on creating a European label to promote goods and products transported by rail and ii) a study on a rail connectivity index on the level of integration achieved through the use of services on the network. Among the measures proposed in the context of the European Year of Rail, Parliament favoured projects and activities addressing topics such as the ERTMS, terminals with modal shift options and the modernisation of train vehicles (rolling stock).

In its resolution of 9 September 2015 on the implementation of the 2011 white paper on transport, Parliament invited the Commission to: i) submit proposals providing for the internalisation of the external costs of all modes of freight and passenger transport ii) take concrete measures to ensure a wider application of the 'user pays' and 'polluter pays' principles and iii) to ensure a level playing field between transport modes by abolishing environmentally harmful tax subsidies. It also called for the adoption of a rail strategy proposing new measures to reach the 2030 and 2050 modal shift targets in the white paper, and an analysis of the missing links across the European railway in the Member States. It also called on the Commission to submit a proposal for an electronic framework for the multimodal transport of goods (e-Freight).

Selected written questions

Written question on boosting rail transport across Europe by David McAllister (EPP, Germany), 28 April 2021. The Member indicated that for companies, in particular, switching to rail transport had to be worthwhile, referring in particular to combined transport, whole train traffic or single wagon traffic. He then inquired on the measures that the Commission would be taking to transfer more freight transport onto the railways, and in particular on the promotion of single wagon traffic as well as on a Europe-wide conversion to digital automatic coupling.

Answer given by Ms Vălean on behalf of the European Commission, 5 August 2021. The Commission indicated that it would be supporting the transition to digital automatic coupling with EU funds but that this transition should rely strongly on private and national funding. The mapping of available funds and the cost-benefit analysis were both due at the end of 2021. The Commission did not plan to propose measures specifically targeting cross-border single wagonload traffic. The Resilience and Recovery Facility and State aid schemes could also offer financial support for single wagonload
services. Lastly, the Commission recalled that the measures planned in support of rail freight were listed in the sustainable and smart mobility strategy.

Written question on ensuring the deployment of ERTMS by Massimiliano Salini (EPP, Italy), 22 July 2020. The Member stressed that no programme existed to ensure trackside and on board ERTMS deployment by 2030. The Commission was asked to indicate which financial instruments would ensure this aspect, the percentage of the EU rail network to be equipped by 2030, and whether a new joint undertaking or an agency could facilitate the deployment of the ERTMS.

Answer given by Ms Vălean on behalf of the European Commission, 24 September 2020. The Commission indicated that the Connecting Europe Facility (CEF) remained the key financial tool. Since 2019, however, a blending facility had been introduced to the programme, offering further support to ERTMS projects. The Cohesion and European Regional Development Funds would also be available to finance the ERTMS. Data from May 2020 showed that, by 2030, nearly 50 000 km of tracks would have the ERTMS installed, which amounted to 97 % of the target set in the European Deployment Plan. The Commission had nominated a European coordinator for the implementation of the ERTMS, but no new entity was envisaged for the deployment of the ERTMS.

Written question on rail investment by João Ferreira (GUE/NGL, Portugal), 12 April 2020. The Member deplored the condition of the Portuguese rail service, where 1200 km of rail tracks and 20 000 jobs had been lost, with the state-owned rail company broken up. No purchases of trains had been made in the last 15 years. Therefore, he inquired: on the availability of EU funds for investments in the rail industry, the Member States where operations and railway infrastructure had not been split, as well as those where the break up of state-owned rail companies had been reversed.

Answer given by Ms Vălean on behalf of the European Commission, 16 October 2020. The Commission indicated that Next Generation EU allowed for rail infrastructure investments and the renewal/refit of rolling stock. The Connecting Europe Facility had allocated €16.3 billion to railway actions in the 2014-2020 period, while the European Fund for Strategic Investments had allocated more than €5 billion to investments in the rail sector since 2015. Concerning the separation of infrastructure management and transport operations, seven Member States had chosen a holding structure (Austria, France, Germany, Italy, Latvia, Lithuania, Poland, Slovenia), while in Hungary, Ireland and Luxembourg the infrastructure manager was part of the incumbent railway undertaking. France was the only Member State in which the holding structure resulted from the reversal of an earlier break-up.

Written question on reviving rail freight transport by Karima Delli (Greens/EFA, France), 27 January 2020. The Member noted that in order to reduce CO₂ emissions from transport, 30 % of goods needed to be transported by rail. The Commission was asked to indicate its intentions to revive rail freight transport and the associated timeframe in which it intended to so.

Answer given by Ms Vălean on behalf of the European Commission, 19 June 2020. In the European Green Deal communication the Commission stressed that a substantial part of the 75 % of inland freight carried today by road should shift onto rail and inland waterways. As the rail freight market suffered from poor performance, high entry costs and low profit margins, the Commission would be looking into all the challenges and concerns holding rail freight transport back. On the basis of evaluations of the regulations governing the rail freight corridors and the TEN-T core network corridors, the Commission would decide on future action.

Other EU institutions and bodies

Court of Auditors

In its report covering developments over the 2000-2015 period, the Court of Auditors found that the EU had not been effective in enhancing freight transport, owing to a number of regulatory and strategic factors that affected the competitiveness of the sector. These included: i) uneven market liberalisation in Member States with regulatory bodies unable to address discriminatory practices by incumbent players; ii) allocation of train paths not meeting the needs of rail freight operators –
request one year in advance – with passenger trains given priority; iii) administrative and technical constraints such as: lengthy procedures for vehicle approvals and safety certificates, different signalling systems and electrification systems, the lack of a European standard track gauge, etc.; iv) a lack of transparency on the performance of the rail freight sector; and v) the lack of a level playing field between rail and road transport in terms of cost of access to the infrastructure. Moreover, the Court recommended that the Commission and the Member States make better use of EU funds as their allocation was not always aligned with EU policy objectives of shifting goods from road to rail. However, the Court considered that some of these constraints would be reduced given the enhanced role of the European Railway Agency in the authorisation process and the adoption of the TEN-T Regulation, designed to unify standards on electrification, signalling, speed, axle load and track gauge. Finally, the Court estimated that if these elements were not addressed, extra funding for rail infrastructure would not in itself be enough to increase the competitiveness of rail freight transport.

Council

In 2016, ministers of transport from the EU Member States, Switzerland and Norway signed the Rotterdam Declaration, expressing their support for international rail freight transport along four dimensions: 1. making international rail freight more attractive for customers and citizens; 2. making the governance of the rail freight corridors more efficient; 3. enhancing operational efficiency; and 4. ensuring adequate capacity for all users. EU ministers endorsed an initiative of the rail sector associations and their members’ under which the stakeholders agreed to work together on 10 priorities. Ministers equally committed to follow up on implementation of the Rotterdam Declaration every two years. Ministerial meetings took place accordingly in 2018 and 2020. Following the 2020 ministerial conference on the future of EU rail freight, in Berlin, EU transport ministers declared their strong support for enhanced rail freight as a priority in the shift towards a climate-friendly multi-modal transport. They called, inter alia, for the completion of the TEN-T core network by 2030, further technical and operational harmonisation, and the digitalisation of: infrastructure, capacity management and allocation, transport processes and related information flows.

In its conclusions on rail adopted in June 2021, Council reiterated most of the objectives outlined in the previous year’s ministerial declaration. It noted that the digital exchange of information, including tracking systems, would represent a major step towards integrating rail freight into the supply chain, making rail freight a more reliable choice for shippers. It underlined the importance of developing further infrastructure capacity and routes on the rail freight corridors in accordance with market requirements and customer needs.

European Economic and Social Committee

In its opinion on intermodal transport and multimodal logistics of 7 July 2021, the European Economic and Social Committee (EESC) argued that improving multimodal traffic would require full internalisation of external costs for all transport modes to guarantee a level playing field. It called for measures to safeguard and/or relaunch a European single wagon load system, to link strategic infrastructure (e.g. ports) to rail solutions, secure investment in industrial sidings, and arrange for involvement of large logistics companies in a modal reorientation of their flows. As adequate terminal infrastructure is an essential prerequisite to successful intermodality, Member States were invited to collaborate on projects along the border regions. Digital solutions such as track and tracing possibilities and other digital tools would facilitate the effective management of multimodal transport flows such as those envisaged by Regulation (EU)2020/1056 on electronic freight transport information. Lastly, the EESC was of the opinion that public investment in intermodal infrastructure should continue to be exempt from the provisions of the stability and growth pact (SGP) beyond the Covid-19 crisis.
European Committee of the Regions

In its opinion on the European Year of Rail 2021, the European Committee of the Regions (CoR) stressed that investments in rail freight corridors and transhipment terminals had helped improve the EU’s territorial cohesion, development of trade with third countries, as well as economic growth and employment. It encouraged the EU institutions to invest in new corridors, ahead of the planned revision of the TEN-T Regulation, particularly in regions with less developed railway infrastructure. It pointed to the Amber Rail Freight Corridor and Rail Baltica as examples of corridors with European added value. It also stressed that countries in central and eastern Europe were facing problems due to the obsolescence or lack of rolling stock, and that investments were essential in order to make rail more competitive. It called for a level playing field between the different modes of transport, by factoring in negative externalities on the environment, and aligning taxation so as to promote rail. The CoR reiterated its call for the abolition of value added tax (VAT) exemptions under Directive 2006/112/EC, where all Member States would apply VAT exemptions for cross-border aviation but not for cross-border rail. In its 2019 opinion on the potential of the rail sector to deliver EU policy priorities, the CoR reiterated its 2017 recommendations on low-emission mobility. It specifically stressed that all transport modes should contribute, in proportion to the amount they pollute, to the external costs that they cause. It highlighted the results of the study by CE Delft on internalising external costs, which found that rail excelled in covering its variable infrastructure costs and externalities such as air pollution, CO₂ and noise through charges, with smaller cost-coverage gaps in euros per passenger-km/tonne-km than other modes.

Stakeholder positions and academic papers

Stakeholder opinions

Following the Rotterdam ministerial meeting in 2016, rail sector stakeholders decided to work on 10 priorities in an integrated way. A sector statement group was set up as an information sharing platform and rapporteurs were appointed for each of the priorities identified. The 10 priorities selected included: 1. timetabling and capacity redesign; 2. new concepts for capacity offer on rail freight corridors; 3. improving coordination on temporary capacity restrictions; 4. enhancing the use of path coordination system; 5. improving harmonisation of processes at borders; 6. train tracking and expected time of arrival; 7. prioritisation, funding instruments and monitoring of TEN-T parameters; 8. facilitating concrete ERTMS implementation; 9. monitoring the quality of freight services with implemented/shared key performance indicators; and 10. harmonising the corridor information document.

Progress has been made on these priorities since 2016, as evidenced by the progress report released in 2018, as well as by the 2020 sector follow-up statement, with broad mobilisation of all the stakeholders. Various pilot projects are underway covering many of the above-mentioned objectives. In addition, two more priorities have been added: international contingency management and a language programme.

In a joint position paper released on 2 July 2020, the Voice of European Railways (CER) and Rail Freight Forward (RFF) outlined their vision for achieving a rail modal share of 30 % by 2030. They called in particular for adequate capacity access and allocation, and progress on eliminating the lack of interoperability resulting from delays in ERTMS deployment. The external costs borne by the rail sector could be addressed, inter alia, through the adoption of an adequate CO₂-pricing scheme reflecting the real costs of transportation across all modes. In their view, to achieve the 30 % target, railway undertakings would need to adopt several key technologies by 2030, among which digital automatic coupling, and autonomous train operations and digital platforms. In their view, the deployment of these key technologies would allow for ‘strong capacity increase of approximately 54 % on current track superstructure without construction of entire new lines’.
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Academic papers

In a January 2021 policy brief, experts at the Florence School of Regulation make a number of suggestions on improving the governance of the rail freight corridors. In building a higher degree of pan-European coordination, the academics suggest drawing on the experience of other sectors including air traffic control and energy. The European Network of Transmission System Operators (ENTSO-E), an association representing electricity transmission system operators from 36 countries across Europe, stands out as a good example. Transmission system operators (TSOs) are responsible for the transmission of power from generation plants to regional or local electricity distribution operators. Similar to the rail sector, TSOs are also faced with the task of decarbonising their electricity grids. Eighty per cent of their activities are driven by legal mandates imposed by regulators or the European Commission, with the latter seen by stakeholders as useful in providing an overarching mandate and a clear legal direction. On investment, ENTSO-E have developed a 20-year network development plan with projections on how the European energy grid should look in 2030 and 2040. The modelling behind this tool was deemed instrumental in guiding the selection of critical TEN-E projects and investments aimed at improving cross-border energy infrastructure.

Experts further stressed that as the security of electricity supply was the responsibility of the Member States, while the energy market was the responsibility of the EU institutions, an adequate balance needed to be maintained between the supranational and national levels. National regulators’ expectations were aligned with the pan-European regulator with respect to transposition of rules. However, clear ownership and commitment of the TSOs remained a fundamental aspect. Finally, the experts went on to argue that, while digitalisation in the rail sector was essential to increase infrastructure capacity, it did not however replace the need for investments in infrastructure, in maintenance and upgrading of existing rail networks to reach commonly agreed standards e.g. on loading gauge, weight, train length, speed, but also with respect to electrification, ERTMS deployment and telematics applications.

Public consultations

The Commission ran two consultations, one before the first 2016 implementation report on Regulation (EU)913/2010, and another in 2019 preceding the evaluation. Overall, all stakeholders supported efforts to boost rail freight transport, many of them, however, considered that the rail sector and the freight corridors needed more time to mature market-oriented solutions. They all pointed to challenges with respect to applying the provisions of the regulation that did not satisfy market requirements. More specifically, the stakeholders involved in the executive and management boards of the freight corridors did not favour policy changes in the short term, as some processes had started to stabilise, as highlighted by the sector at the 2016 ministerial meeting in Rotterdam. However, opinions from other stakeholder groups, such as logistics companies, industry associations, shippers, forwarders, intermodal operators, freight railway undertakings and port authorities, were divided. Some considered that the sector should be left to deliver, while others favoured more EU support and regulatory pressure.
ENDNOTES

1 Two additional freight corridors were established, the Amber corridor, in 2017, and the Alpine-Western Balkan corridor in 2018. The Czech-Slovak corridor, freight corridor number 9, expired in 2020 to become part of the Rhine-Danube corridor.

2 Depending on the national rules and regulations in place, time-intensive operational processes take place at some border points (e.g. change of driver, change of locomotive, customs procedures, technical adaptions, etc.).

3 Allocation of pre-arranged train paths by the freight corridor ends in August of the preceding year, and any change after that is the responsibility of the infrastructure manager.


5 Intermodal means a cargo carried in load units such as containers, swap bodies or semi-trailers.

6 For a complete list of overlapping provisions please see page 138 of the European Commission evaluation of the EU Rail Freight Regulation.

7 Shippers, freight forwarders, rail freight operators, intermodal operators, intermodal terminals, infrastructure managers, allocation bodies, rail freight corridors.


9 The external costs approach consists of assigning a monetary value to each impact (noise, CO₂, air pollution, accidents, etc.) and calculating the total impact for each mode.

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