Opinion of the European Committee of the Regions – The potential of the rail sector in delivering EU policy priorities

(2020/C 79/04)

Rapporteur: Pascal MANGIN (FR/EPP), Grand Est Regional Councillor

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS,

1. highlights the contribution of the rail sector, and the potential of regional and local rail lines in particular, to several of the Union’s overarching policy priorities, namely decarbonisation and climate change mitigation, territorial, economic and social cohesion, internal market and free movement of persons and goods, as well as sustainable mobility;

2. highlights the role of the transport network as the backbone of EU economy – and the potential of the rail network for connecting the main transport routes with the Union’s peripheral regions and territories while also contributing to the greening of EU logistics distribution by promoting the shift of long-distance freight from road to rail; emphasises that, in this context, while networks considered to be of ‘priority interest’ must be permanently promoted, the role of secondary regional lines must also not be overlooked;

3. points to the opportunities offered by the rail sector for skilled and stable employment with an even distribution of jobs across the EU’s territory and to the positive spillover effect for other sectors of the economy;

4. calls for measures to further optimise these contributions in the context of the European Green Deal, responding to citizens’ concerns in these areas;

5. highlights the importance of multimodality for a sustainable EU mobility system – drawing on the strengths of each transport mode – and the need for sustained efforts to ensure a level playing field, notably through internalisation of external costs;

6. notes that railways have the potential to become the most critical component of mobility. They will need to fully embrace digitalisation and automation so as to ensure services up to and including the last mile in the passenger and freight sectors; and thus contribute to the shift towards a more sustainable transport system;

7. calls on the European Commission to ensure the proper implementation of the existing rail regulatory framework;

8. points to the role of stations as vectors of culture and service centres and to the success of rail travel schemes such as #DiscoverEU for promoting EU culture and heritage;

Territorial cohesion

9. notes that, in addition to responsibility for public transport services on their territories, Local and Regional Authorities (LRAs) are also tasked with fostering greater territorial cohesion between urban and rural areas. In the context of the Union’s commitments under the Paris Agreement, LRAs are implementing solutions for a more sustainable transport sector, which will be critical in achieving the goal of a sustainable Europe by 2030;
10. considers that railways have a major role in several of the Union’s overarching policy priorities and to start with the implementation of the Sustainable Development Goals through the new European Green Deal outlined in the Political Guidelines of European Commission President von der Leyen. In particular, they contribute to reducing the disparities between cities and peri-urban regions as well as between rural and urban areas;

11. pointed out in its opinion CDR 18/2017 that the necessary infrastructure must be put in place, in those regions where rail is less developed, so that citizens and companies can make use of rail transport under the same conditions as in the rest of the EU, with a view to creating a Single European Railway Area, unless other transport solutions exist that are more sustainable and generally less costly for users and the wider community;

12. points out that, while current EU policy objectives state that the Core Network Corridors (CNCs) and Rail Freight Corridors should constitute the main axes for the development of intermodality across the EU, the research report prepared for the European Parliament’s TRAN Committee on modal shift emphasises that connectivity is not evenly distributed across EU regions. The report stresses, in particular, the need to ensure that the whole EU territory has the opportunity to be connected to the rail network ‘in accordance with the principle of cohesion and accessibility […] and based on clear indicators of demand levels and socioeconomic conditions of the catchment area’ (1). In order to achieve the objective of ensuring sufficient connectivity in Europe, not just the Core Network Corridors but also the secondary corridors should be financed from EU funding;

13. highlights the importance of cross-border rail links, including those of regional relevance. Given their specific contribution to territorial cohesion, these should be taken into account by the EU, including through funding via EU programmes;

Economic and social cohesion

14. notes, with regard to cohesion, that employment in the rail sector is considerably dispersed across the Union’s regions, ranging from operators and infrastructure managers, to suppliers and manufacturers, and maintenance, safety and security services. Studies estimate sector employment at 2.3 million people and 4 million when wider economic effects are taken into account (2). Owing to both sectoral and operational commitments, the rail sector is a socially responsible employer which promotes the development of skilled labour and serves as a catalyst for sustainable growth at local, national and EU level;

15. calls for a close partnership between the Commission and the rail sector to address the questions of training, recruitment and attractiveness of rail sector professions for young adults in particular, and to consider professionals performing inspection tasks as authority officers at European level, with a view to limiting attacks on those with this status by ensuring that national penal codes include penalties;

16. points out that the rail industry will see an increasing demand for ICT and cybersecurity professionals in line with increasing digitalisation and automation of the sector. Such developments will have positive spillover effects on other economic sectors with one job created in the railway industry generating an additional 0.52 jobs in other sectors, mainly in SMEs (3);

17. notes that the rail sector is also affected by the skills gap and confronted with changing skill requirements in certain sectors in the context of digitalisation and automation (4);

18. points to the benefits of structured rail-sector trainee schemes – with regard to both existing and emerging rail-sector professions, which could be established in association with vocational education providers and secondary schools and supported by EU funds for upskilling/reskilling in the context of the transition to increased digitalisation and automation of certain professions (5);

19. highlights that one important aspect is the low representation of women in rail sector employment. According to the 2019 RMMS study (6), the percentage ranges from 8 to 49% across the EU, with only four Member States exceeding 30%. Making rail sector professions in the EU more attractive to women could help reduce recruitment bottlenecks. The Committee of the Regions points to the output of the EU Platform for change and their list of good practices (7) to address these imbalances. A combination of measures taken by companies, measures at sectoral level and policy actions is necessary:

The special role of passenger stations as cultural platforms

20. reiterates the headline message of its opinion CDR 185/2018 (8) and points to the role of stations in this context, noting that cultural heritage in its diverse forms is a major asset for Europe: it is a resource with the potential to become a key lever for more cohesive and sustainable regions in the EU that can help strengthen identity in a region as well as in Europe as a whole, and particularly embodies the EU’s motto of “United in diversity”;

21. notes that, in addition to conveying passengers, stations are important vectors of culture and provide an extensive outreach network. They are therefore perfectly suited to conveying culture and opening up cultural opportunities to a wider audience, contributing to quality of life and social cohesion. This is particularly the case in medium-sized towns and cities, where stations are a source of untapped potential as alternative cultural venues to museums or festivals;

22. therefore encourages station managers and LRAs to enhance cultural initiatives in stations and make the best use of existing schemes such as the EU Prize for Contemporary Architecture (9), possible cooperation with the European Route of Industrial Heritage (ERIH) in promoting awareness of EU cultural heritage and diversity (10), the EU Network of Creative Hubs which includes some transformed stations, nominations for EU contemporary architecture awards, and the EU Creative Europe Programme which is available for projects involving more than three Member States wishing to promote specific aspects of culture;

23. considers that the current success of the #DiscoverEU programme (11) should not be taken for granted. This scheme has allowed 30 000 young Europeans to travel free of charge for one day to one month by rail. It therefore suggests launching a joint initiative bringing together the #DiscoverEU programme of the European Commission, the rail sector and the CoR which could aim to connect the Interrail trips made by young people with a programme of events in Europe’s cities and regions focusing on local train stations and their surroundings from a cultural point of view and/or for technical field visits so that young people would learn more about railways;

24. points out the increasing popularity of night trains, particularly among young people, and the need to relaunch these services on certain main European routes as part of the green transition. It notes that the international arts festival EUROPALIA will dedicate its 2021 edition to the influence of railways on the arts and suggests that the contribution of night trains and their resurgence should be highlighted on this occasion. It also calls on railways to increase their contribution to sustainable tourism by stepping up cooperation with travel agencies and other modes of transport;

European Green Deal

25. notes that the EU has repeatedly affirmed its objective for its industries to be world leaders in innovation, digitisation and decarbonisation. Decarbonisation and climate-change mitigation have been placed at the very top of the new Commission’s political priorities as part of the ‘European Green Deal’. This is why fresh and balanced proposals from the Commission are urgently needed and should be presented in the 100 days after the start of the new Commission. The Commission should indicate what financial resources are needed to achieve the decarbonisation targets;

26. takes due note of the growing popular movements such as ‘Flight shaming’ or the strikes for the climate, and is convinced that these can help induce a modal shift only if railways offer a true alternative to more polluting modes at an affordable price. This depends on contributions from LRAs and public authorities but also on the capacity of the sector to be even more environmentally friendly;

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(8) Social Policy, Education, Employment, Research and Culture.
(9) https://ec.europa.eu/programmes/creative-europe/actions/architecture-prize_en
(10) https://www.erih.net/
(11) https://europa.eu/youth/discovereu/
Environmental performance and implementation of the polluter pays principle

27. notes that the transport sector is responsible for 27% of greenhouse gas emissions in the EU. Its current policy aspirations are set out in the Commission’s Low-Emission Mobility Strategy adopted in 2016, which was followed by three legislative ‘Mobility Packages’. As regards the rail sector, its emission rates are by far the lowest of all transport modes. Moreover, rail is the only transport sector whose overall emissions are in decline (\(^1\)), despite increasing transport volumes;

28. points to the 2019 study by CE Delft (\(^13\)) on the internalisation of external costs. It shows that rail excels in covering its variable infrastructure costs and externalities like air pollution, \(\text{CO}_2\) and noise through charges, with smaller cost-coverage gaps in euros per passenger-km or tonne-km than other modes;

29. considers that the environmental performance of railways would be even bigger if railways would address their main shortcomings through a more systematic deployment of longer and heavier freight trains, rolling out of more silent trains, by incentivising retrofitting of wagons with composite brake blocks and through the use of clean and efficient energy;

30. considers that railways should also work intensively on alternatives to noxious products such as glyphosate or creosote that are used on many kilometres of track;

31. welcomes the fact that major railway players have committed to climate neutrality by 2050 but considers that such an objective is within reach in a closer future;

32. considers that legislators can contribute to such an objective by implementing the polluter pays principle. The Committee of the Regions recalls its opinion CDR 18/2017 (\(^14\)) stating that ‘all transport modes should contribute, in proportion to the amount they pollute, to the external costs that they cause, following the polluter pays principle’ and that ‘modal shift solutions involving low-emission mobility should receive high priority, for instance, by reconsidering hidden or open subsidies to road transport’;

33. calls for a review of the current VAT exemptions provided for by Council Directive 2006/112/EC (\(^15\)) under which all Member States apply VAT exemptions for cross-border aviation but not for cross-border rail. Amendments to the Directive would enable Member States to apply VAT rates for cross-border passenger transport services in a more sustainable manner. Draws attention in this context to the European Citizens’ Initiative for ‘Ending the aviation fuel tax exemption in Europe’ (\(^16\)); it also notes the commitments made by Mr Timmermans, executive vice-president for the European Green Deal, on the need to review the tax treatment of certain transport fuels to bring this more in line with the EU’s climate objectives;

34. regarding the review of the Energy Taxation Directive (2003/96/EC) (\(^17\)) announced by President von der Leyen, calls for the discontinuation of mandatory tax exemptions for aviation and maritime shipping (while such exemptions are optional for energy products and electricity used for goods and passenger transport by rail, metro, tram, etc.) as a further measure to encourage modal shift towards more sustainable transport modes;

Attractiveness of railways and modal shift

35. believes that modal shift will also be encouraged by the enhancement of reliability and comfort of trains. Stations are a full part of the comfort of travelling. Persons with Reduced Mobility should also benefit from this additional quality of service on board and at stations; night trains across longer distances are offering an increasingly credible solution because passengers are increasingly looking for sustainable travel alternatives. The railway sector (railway undertakings and infrastructure managers) can play its part in this movement by providing attractive prices, comfortable trains and suitable train paths;


\(^{14}\) OJ C 342, 12.10.2017, p. 57


\(^{16}\) https://www.fairoscene.eu

36. points out that railways offer a good combination of speed, safety, comfort, efficiency and environmental performance. Still road accounts for more than 50% of freight transport and rail 12%. For passengers, despite a certain increase in numbers in recent years, railways still have less than 10% of market share on average. LRAs have an important role to play in driving discussions with both public and private operators concerning funding and solutions, in order to develop attractive transport services. To this end, the CoR calls on the European Commission to promote rail motorways and promote the public funding of their terminals and rolling stock as an optimised modal shift option that will help to greatly speed up the decarbonisation of freight transport;

Digitalisation, innovation and industrial policy

37. believes that experiences from the two giant French and German rail operators tend to prove that railways should refocus on their core business: heavy rail. A proper industry strategy coupled with digitalisation will help put more trains on the tracks;

38. recommends, in connection with digitalisation:

— ERTMS should be deployed at a fast pace to better combine additional capacity and safer transport;
— digitalisation should be developed at intermodal level in order to optimise the performance of the transport sector as a whole. Services for FRM or any type of disability (physical, sensory or psychological) should be treated with particular attention;
— to enhance customer care and offer passengers high-performing data connection and internet access, 5G should be used to the full;
— ‘Digital Freight Trains’ should rapidly be rolling. They will gather information on the status of goods and the train itself (temperature, shocks, security alerts etc.); sharing them onboard and with trackside control centres;
— quick scaling up of predictive maintenance of both rolling stock and infrastructure via large scale adoption of remote wireless connected sensors (IoT) for detecting temperatures, pressures, vibrations, security alerts in critical points and in real time, automatic collection and organisation of all those sensors’ data, immediate analysis by automatic systems based on Artificial Intelligence;

39. emphasises that the potential of integrated ticketing and MaaS depend on the transport players making their data easily accessible to the rest of the ecosystem. Guidelines should be established at EU level to encourage railways to further open their data. They can contribute to the development of smart cities. In parallel, LRAs shall develop new competences in producing, exchanging and managing public data;

40. stresses that integrated ticketing systems must be compatible with each other, reducing the risk of internal market fragmentation;

41. believes, in the light of the significant impact of digitalisation and automation on processes and services involving LRAs over the years ahead, that securing a successor to the Shift2Rail Joint Undertaking in the next MFF is of the utmost importance. Each partner, the EU and the rail sector, will have to keep its financial effort and the latter should take this occasion to develop more multipartner projects on a European scale involving SMEs;

42. points out that, in exchange, Shift2Rail will have to live up to its promises: reducing by 50% the life-cycle cost of rail systems (developing, operating and renewing infrastructure and rolling stock); doubling the capacity of the rail system; increasing the punctuality and reliability of rail services by 50%; removing remaining obstacles in terms of interoperability and efficiency; and reducing negative externalities such as noise, vibrations and emissions; also ensuring the promotion of universal accessibility, beyond mere compliance with the relevant national regulations in force;

Intramodal competition

43. notes that net gains from further market opening, greater open tendering for public service contracts and continued unbundling are estimated in the range of EUR 18 billion to 32 billion over the period from 2019 to 2034. Therefore the CoR calls on the Commission and the European Agency for Railways to ensure a proper implementation of the 4th Railway Package so as to reap the benefits of market opening and simplification of rules;
44. notes that the competent authority or competent authorities that awarded the public service contract may call for an economic equilibrium test to be run by the Regulatory Body to ensure that a new rail service does not put an existing public service at risk. Strengthening of regulatory bodies is also critical to a better performing railway ecosystem. To that end their independence and power need to be safeguarded;

45. points out that LRAs are also an important player in the rolling stock market and can help new entrants gain access to a fleet. This should go in parallel with a more dynamic market for second-hand rolling stock at EU level both for passengers and for freight. Incumbent railway undertakings have a responsibility in this respect as they are the main owners of rolling stock;

**Intermodality/Multimodality**

46. highlights that it will be increasingly important for the whole railway system to reason in terms of mobility and not only rail transport. Passengers in the EU's territories now expect multimodal door-to-door services and are quick to experiment with new modes of transport (car sharing, electric scooters, public transport, etc.). By taking full account of the concept of Mobility as a Service and the potential for integration with other transport modes up and including the last mile, the rail mode could increase its market share;

47. points out that the creation of a European mobility identity has been floating under the Juncker Commission. The CoR wishes for the new Commission to further investigate the technological and legal ways to make it a reality. It constitutes a very ambitious and sophisticated project whereby a unique device/card would centralise:

— profile details including evidence for PRM and driving licences;

— a means of payment and a paperless ticket for all modes of transport;

— an account to receive compensation for violations of passenger rights;

— a tool to calculate the carbon footprint of one's mobility;

48. calls upon the Commission to address barriers to be alleviated, notably passenger guarantees against missed connections or provision of information; particularly passengers travelling between different Member States on connecting trains are often not as aware of their rights as, for example, aviation passengers;

49. considers that investments in rail freight should focus on last-mile bottlenecks. It does not only apply to urban nodes, but also to rail connections in ports. Freight in capacity planning needs to be prioritised; In addition, the CoR calls for an increase of European funding sources aiming at the development of intermodal transport centres and the creation of hubs, which require large-scale investments;

50. regrets that the interinstitutional negotiations on the Combined Transport Directive (92/106/EEC) (18) could not be completed before the institutional renewal earlier in 2019 and hopes that these will be resumed from autumn 2019;

51. considers that the possibility of a general block exemption for investment in intermodal logistics platforms should be raised. This would be an important simplification measure for LRAs. However, a prerequisite to such an exemption is that railways refrain from cross-subsidies. It will help convince decision-makers that State aid rules should keep promoting railways as opposed to more polluting modes of transport, in line with the 2008 Community Guidelines on State aid for Railway Undertakings (19);

**Rail safety and security**

52. emphasises that safety is part of the railway DNA and can still be further improved in line with necessary interoperability improvements. ATO, ERTMS, predictive maintenance and cybersecurity will be the digital arm of such an improvement, as is the elimination of level crossings:


Trade

53. highlights the importance of a balanced approach vis-à-vis the ten action points agreed on relations with China submitted to the European Council of March 2019 (EU-China – A strategic outlook) (20);

54. supports the need recognised in the Communication for appropriate oversight to ensure that the EU’s existing capacity and future potential with regard to highly-skilled production (and the corresponding employment opportunities across the EU’s territories) is not unduly undermined by competitive distortions at international level (access to construction markets, operation of rail services, etc.);

55. points out that (i) Action 6 of the Strategic Outlook Communication calls on the European Parliament and the Council to adopt the International Procurement Instrument before the end of 2019, (ii) the European Commission indicated that guidance would be published by mid-2019 on the participation of foreign bidders and goods in the EU procurement market, and (iii) the Commission is due to identify before the end of 2019 how to fill existing gaps in EU law;

56. with regard to public procurement in the rail sector, highlights the relevance of applying the MEAT (most economically advantageous tender) principle, as set out in the EU’s 2014 Public Procurement package, and calls upon the Commission to provide guidelines on the use of the MEAT principle. At the same time, the public procurement process must guarantee incorporation of economic, social and environmental improvements into the specifications.

Brussels, 4 December 2019.

The President
of the European Committee of the Regions
Karl-Heinz LAMBERTZ