



PRESS RELEASE

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Poland: vertical integration is the problem, not the solution

ERFA and ALLRAIL are very disappointed to hear that the Polish incumbent PKP is planning to integrate all public operators and infrastructure into one holding with joint management of finances, personnel & procurement.¹

Any move to even more centralised control will turn the clock backwards. Closer integration carries the major risk of protectionism – soft instruments can be applied, such as adjustments to the track access charge system (to price incumbents' competitors out of the market) and unequal access to terminals or train paths.

We already see this happening - recent track access charge proposals by Polish infrastructure manager PKP PLK favoured in-house operator PKP Intercity at the expense of 3rd party regional operators².

The 4th Railway Package should be seen as an opportunity to develop a vibrant and growing rail system – rail liberalisation needs a proper chance. Poland still has no competitive tendering and no through ticketing – all features that have made rail liberalisation a success elsewhere. Competitive freight offerings should be embraced rather than merely tolerated.

By contrast, the new plans risk strengthening PKP's dominance in freight and passenger rail. Devolved expertise and private investment in specialist activities become viewed as a nuisance

Carole Coune, the Acting Secretary General of ERFA says "Instead of turning the clock backwards, a focus on improving quality & reliability in order **to achieve modal shift to rail** should be adopted. **This should include a framework that encourages private investment.**"

Nick Brooks, Secretary General of ALLRAIL, says: "Separation will allow specialist firms to focus on their core competency. Efficiency can be maximised in each activity of the value chain. Any **reform plans should not contradict the goals of the EU 4th Railway Package**"

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¹ <http://www.rynek-kolejowy.pl/wiadomosci/krzysztof-maminski-holding-pkp-nie-bedzie-zagrozeniem-dla-iv-pakietu-kolejowego-86597.html>

² https://www.mazowieckie.com.pl/sites/default/files/docs/rynek_kolejowy_pl_2018_04_06_czeslaw_sulima__plk_chce_p_odniesa_stawki_dostepu_dla_linii_lokalnych_pdf%280%29.pdf