

Press Release

State Aid for the Rail Freight Sector in context of COVID-19

30 April 2020

In order for rail freight undertakings to be able to successfully navigate the COVID-19 crisis, it is important to reach the correct decisions about European and national support measures. These support measures should prioritise sectoral schemes, such as a waiving of track access charges and energy charges (with support for service providers), which benefit all rail freight operators. It is essential that any potential support measures directly given to railway undertakings are transparent, fair and open to all actors, state owned and private.

As already communicated, ERFA strongly supports the measures taken by the European Commission to date in establishing Green Lanes. This has greatly assisted in ensuring rail freight can continue to move essential goods throughout Europe. As communicated by ERFA on 02 April, we are now entering a new stage of discussions, namely how the industry can be supported in navigating the COVID-19 crisis. As already communicated, any support measures must come in the form of sectoral measures which assist all operators.

For rail freight, the potential for recapitalisation of individual operators' presents a real risk to the entire sector. It must be recognised by all national authorities that the Temporary Framework for State Aid Measures adopted on 19 March and amended on 03 April does not introduce any exemption to competition rules. It is therefore essential the European Competition authorities continue to monitor national developments and ensure proper enforcement of EU competition law. The priority of governments needs to be to protect market structures or, where possible, continue development towards a more competitive and balanced one. Any support measures must treat private and state-owned operators equally. Private and state-owned operators must stay in fair competition.

Dirk Stahl, ERFA President, said: "What the rail freight industry needs from national government is proactivity. We need to see support measures now, such as a waiver on track access charges and energy charges, rather than waiting until we begin to see rail freight operators begin to struggle. Direct State Aid for rail freight undertakings should only be considered where it remains compatible with the internal market and is directly related to the COVID 19 crisis. The primary focus is on ensuring support measures are transparent, fair and open to all".

Conor Feighan, ERFA Secretary General, stated: "The possibility of direct grants under the Temporary Framework is limited. The Temporary Framework, although welcomed, should



therefore not be viewed as the sole solution to the issues facing rail freight. This is an important understanding in discussions on how we can support the sector. Since long lasting and heavy market turbulences are foreseen, we need to be looking at solutions outside the scope of the Temporary Framework such as sectoral support measures."