

Press Release – Private and Independent Rail Freight Undertakings Reiterate Call for Fair Support during ongoing COVID-19 Pandemic

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The question of how best to support rail freight through the ongoing COVID-19 pandemic in a fair, transparent and non-discriminatory manner remains one of the most pressing issues facing the sector. This topic has been brought back to the fore due to the second wave of the COVID-19 pandemic currently taking hold throughout Europe. ERFA calls on the European Commission and Member States to ensure that support measures, which are needed, do not lead to avoidable competition distortion and damage to the industry as a whole.

The European rail freight industry today is a dynamic market made up of a large number of actors. On average in Europe, [new entrants account for 44% of national market shares of rail freight undertakings based on net-tonne kilometer](#). On top of this, **31% of all rail freight undertakings are non-incumbent operators**, meaning they are not an incumbent operator in any European country.

It is important to stress that this market opening is still moving in the correct direction. The average percentage of new entrants increased from 40% in 2016 to 44% in 2018. This growth is fragile however given that new entrants, particularly non-incumbent operators who are the majority of new entrants, require legal certainty - particularly regarding State Aid - in order to be able to continue to invest and grow. It is crucial that we continue to develop a legal framework that ensures that support measures can only be introduced where they are fair, transparent and available to all actors. Any deviations from these principles will lead to investment uncertainty and, subsequently, undermine the entire industry's ability to play its role in bringing freight transport emissions under control.

In light of this, and taking into consideration the continuing COVID-19 Pandemic, ERFA calls for:

- **Non-Discriminatory Support Measures:** Aid should only be admissible where it is fair, transparent and non-discriminatory. Bilateral support measures, either directly or through cross-subsidization, have the potential to distort competition and damage existing markets.
- **Continued Monitoring and Updating of State Aid Temporary Framework:** ERFA has welcomed the European Commission's State Aid Temporary Framework. This has allowed Member States flexibility to support key industries when and where required.

For more information, you can Contact:

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This Framework must remain a temporary measure and continue to be adapted to the needs of European economies. The European Commission should continue to assess and amend the provisions of the temporary framework based on the key principle that all aid allocated under the framework must be non-discriminatory.

- **Reduction and Waiving of Track Access Charges:** ERFA welcomes the recent adoption of a Regulation [establishing measures for a sustainable rail market in view of the COVID-19 outbreak](#). This Regulation gives Member States the freedom to waive and reduce track access charges. This remains the best way to support the rail freight sector in a fair and proportional manner. ERFA strongly calls on Member States to take concrete actions in line with this Regulation.
- **Creation of a Freight Transport Crisis Contingency Plan:** The European Commission has already come forward with a [Communication upgrading the transport Green Lanes](#). In order to ensure rail freight continues to operate as the backbone of freight logistics, the European institutions and Member States should move quickly on implementing the provisions of this communication and the creation of a wider Freight Transport Crisis Contingency Plan. This should ensure that regardless how the pandemic develops, cross-border freight operations along TEN-T corridors and other essential routes are protected and that transport workers can continue to move across borders. It must also ensure that terminals and other essential auxiliary services continue to operate.
- **Rail Freight in the Green Deal:** Furthermore, the critical function of rail freight in the present COVID crisis must to be sustained and perpetuated in view of the Green Deal objectives. Lessons learnt from the crisis should be used to create a stronger rail freight system.

ERFA President, Dirk Stahl, commented, *“all actors in the rail freight market have been impacted by the continuing COVID-19 pandemic. We believe that support measures for the sector as a whole are crucial, but we need to ensure these measures do not undermine competition. For private and independent operators, this is essential if we are to be in a position to continue to grow. Crucially, we also need to continue to ensure that rail freight continues to move across national borders regardless of how the pandemic evolves over the coming weeks and months.”*

ERFA Secretary General, Conor Feighan said *“it is essential that Member States take a proactive approach to supporting the rail freight sector and look at proactive options such as a waiving of track access charges. This will ensure that all undertakings are supported in an equal manner and subsequently ensure rail freight can continue to become more competitive throughout and beyond the pandemic”*.

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