

Continued Independence of Infrastructure Managers crucial to growing Freight Traffic

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The <u>recent suggestion</u> of Belgian minister of Transport, Mr François Bellot, to revert to the situation before the rail unbundling implemented in 2005 and to re-integrate the two state owned companies SNCB, the passenger railway undertaking, and Infrabel, the infrastructure manager, raises serious concerns regarding the impartiality of the infrastructure manager.

It is unclear what the potential added benefits of such a proposal are. ERFA does not believe such a model will resolve conflicts related to contingency measures or support the customer focused services that both passengers and businesses desire. Such a proposal is in conflict with the Single European Railway Area Directive which requires the independence of railway undertakings and infrastructure managers.

The existence of an independent infrastructure manager is essential for the freight sector which is confronted with competition with other transport modes.

The climate challenge calls for strong growth of rail freight whilst also balancing the need to increase passenger traffic on a limited infrastructure network. This means that any governance change has to be impartial and conceived taking into account the interest of the two types of traffic. Vertical re-integration could have a negative impact on competition within the rail freight market, which is vital to improve efficiency, quality of offer and to attract private sector investment.

ERFA has already underlined the lack of competition on some Europe markets where vertical integration is still in effect, and it would be a backward step if countries who had already undergone separation returned to this model. Any such move would call into question the commitment to the creation of a Single European Railway Area.

To accelerate the growth of the European Rail Freight market, and to ensure the true completion of the single European Railway Area, it is crucial that infrastructure managers stay and, in some cases, finally become independent and impartial. Any reversal of this trend would only have a negative impact on rail freight and the climate objectives facing the transport industry.