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## Back on Track Position Paper on New Green Deal

*There is huge potential for modal shift from road and air travel to rail, thereby significantly reducing carbon emissions from transport. However, for this potential to be unlocked a number of measures are required at the European level, the most urgent of which are set out below.*

### Achieving a level playing field

Rail is the greenest mode of motorised transport but is unfairly burdened by taxation and other charges in comparison with other modes. All modes of transport should either be taxed equally or according to their external costs on the 'polluter pays' principle, as first outlined by the European Commission in its 1995 Green Paper *Towards Fair and Efficient Pricing in Transport*, but without subsequent action.

We demand that the EU and Member States legislate:

- for taxation on energy used by rail to be no higher than that of road transport or aviation;
- to introduce kerosene tax for all flights within, to or from the EU;
- for 0% VAT on international train tickets, to ensure fairer competition with international aviation;
- for the internalisation of external costs in the taxation of all modes of transport without exception, whether that be rail, road or aviation;
- for:
  - road users to pay for road use at the point of use according to the 'user pays' and 'polluter pays' principles, comparable with track access charging regimes for rail; or
  - the abolition of track access charging and its replacement with rail infrastructure funding through general taxation, comparable to the current situation for most road users on most of the road network.

### Simplifying fares and ticketing in the Single European Railway Area

At present many different booking systems are in use by train operators. There are no common standards regarding data formats or connections between these systems, meaning that is a significant technical challenge to be able to sell the tickets of all operators. Each operator is also

free to make commercial decisions on whether to cooperate with third party ticket retailers: no single retailer is currently allowed to sell the best offers of all train operators in the EU. Given the increasing liberalisation of the market for passenger rail services, this situation must be urgently improved for passengers. Railways should continue to function as a single network from the passenger perspective – as they have done for decades – meaning through ticketing for all journeys across borders or involving more than one operator.

We demand that the EU and Member States legislate:

- for the full interoperability of Railway Undertakings' booking systems, such that retailers can access all operators' ticketing and booking systems;
- for guaranteed non-discriminatory access to the full range of fares and ticket products of all train operators in the EU without price mark-ups and via all sales channels;
- to force train operators to offer through tickets for journeys involving more than one train, regardless of operator;
- to guarantee the interoperability of 'digital tickets', such that they will be accepted by all the operators on which an equivalent classic paper ticket from a ticket office would be valid;
- to amend rail passenger rights to reflect the current reality of journeys made using several tickets instead of one through ticket, until such a time that through ticketing is available at the best price from all retailers for all journeys: in case of delay, passengers should be entitled to take the first available connecting train towards their destination at no extra cost, regardless of operator.

As was already the case in the past, it should be possible to book every European train by buying any regular ticket (standard fares and special reduced fares) for the selected route and buying a separate reservation (for a seat, couchette berth or sleeping car bed). "Globally priced" trains, for which only "global price" tickets (also known as so-called "integrated tickets" (IRT)) are sold, may still be permitted, but only in addition to standard tickets.

Many sales channels are welcome, but those with incumbent operators in each Member State could be transferred to an independent state-owned company, selling the tickets of all operators. Such a company could also handle information provision and ticket sales at stations in order to offer passengers high-quality, impartial services. The cooperation between these companies could be coordinated at the international level by a European Train Union, as described below.

### **Boosting international train services**

National governments and Railway Undertakings both tend to focus on their core domestic passenger transport markets, meaning that cross-border services are often neglected and the current international train network is of variable quality. Night trains are an essential part of the European passenger train network, fulfilling a major role over distances of more than 500 km or where journey times exceed four hours.

We demand that the EU:

- supports new or improved inter-regional and long-distance daytime and overnight passenger train services that are currently not commercially viable by providing seed funding through programmes such as InterReg;

- sets an example by promoting international rail as the default mode of transport in EC procurement and staff travel policies.

We demand that Member States:

- add international services to domestic operating contracts/concessions in order to achieve an adequate service level on routes that are currently not commercially viable.

Back on Track supports the founding of a European Train Union. This Union would work with national railway companies to build a European train strategy: a shared view on routes, infrastructure and investments. Secondly, it increases cooperation between railway companies on delays and information exchange. It could additionally support the procurement of a European pool of night train carriages as described below.

### **New rolling stock**

There is a chronic shortage of modern rolling stock, especially sleeper and couchette cars for night trains, a view shared by both incumbent Railway Undertakings and new entrants. This represents a major barrier to the expansion of night train services.

We demand that the EU and Member States:

- require publicly-owned train operators to make disused RIC night-train and daytime rolling stock available to other operators intending to provide international passenger train services, at least as a stop-gap measure until the financing of new carriages is made easier;
- help to finance new rolling stock, for example by offering guarantees to leasing companies or their financiers;
- help to establish of a pool of European night train vehicles to be rented out to operators. The European Investment Bank could procure this rolling stock as part of the Green New Deal;
- only financially support the procurement of rolling stock that is technically interoperable and can be physically used anywhere on the standard gauge rail network of continental Europe;
- only financially support rolling stock that is fully accessible to disabled travellers in wheelchairs;
- remove perverse geographical usage restrictions on EU co-financed rolling stock.

Large volumes of standardised vehicles would reduce unit prices for all potential operators.

### **Marginal infrastructure usage costs for international services**

At present infrastructure usage fees have to be paid for every train movement on the railways of the EU, quite unlike the 'free at the point of use' system for passenger transport on most of the road network. Track access charges can mean the difference between profit and loss for Railway Undertakings with very small profit margins, especially night train operators. Track access and station usage fees vary considerably between Member States despite Article 31 Paragraph 3 of EC Directive 2012/34/EU, which states that charges "shall be set at the cost that is directly incurred as a result of operating the train service".

We demand that the EU:

- strengthens this Directive such that “mark-ups” are no longer permissible, at least for international train services, and that infrastructure managers may only charge on the basis of the direct marginal costs of using tracks and station facilities;
- intervenes, when the respective national regulator fails to do so, in cases of discriminatory behaviour by infrastructure managers in the granting and/or pricing of access to tracks, stations, station facilities or servicing facilities.



Back-on-Track is a European network to support improved European cross-border passenger train traffic and night trains.

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