

The French EU Presidency, an opportunity for European rail that should not be missed

EUROPE ON RAIL



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While the European Year of Rail (EYR) will end in a few weeks and the European Commission plans to present by the end of this year its action plan for long distance rail connections, several barriers still need to be removed in order to truly move forward on the development of new European day and night train lines.

In this context, and parallel to work on the investment issues on its own rail network, **it is absolutely necessary that the French Government uses its French European Union Presidency to boost cross-border rail development through Europe.** This is crucial as rail is one of the most efficient and fastest ways to reduce greenhouse gas emissions from medium-long distance travels and to renew the European spirit, by better connecting citizens and territories.

Now is the right time for France **to endorse and show strong political leadership to the objective of implementing at least 30 new European day and night train lines by 2025.** To do so, France should participate actively **to remove several barriers such as:**

1

Support European investments

in interoperable rolling stock, including sleeping carriers, promoting european rail industry and green jobs

2

Make infrastructure charges fair

for European rail operators, to facilitate the launch of new lines and make better use of existing infrastructures

3

End the climate and fiscal impunity of the aviation

sector, internalizing environmental impacts and leveling the playing field with low carbon transport

France should draw upon the work realized by Germany during its own European Union Presidency. This included the Trans Europ Express 2.0 (TEE 2.0) initiative as it benefits from support by most member states. **It is now time for France to take over and to transform the TEE 2.0 intentions into concrete actions** while broadening and accelerating it, involving all stakeholders, including civil society organizations.

1 Support European investments in interoperable rolling stock, including sleeping carriers, promoting european rail industry and green jobs

The lack of rolling stock and especially the lack of sleeping carriers is one of the major barriers to the night train revival throughout Europe. As this shortage concerns many European countries it is necessary to address it with a common and coordinated European action. This European action will have to be thought complementary to the member state actions. It might take different forms such as:

- **Co-financing by a new European fund of sleeping carriers and other interoperable rolling stock acquisitions.** This new European fund could be inspired by the Connecting Europe Facility (CEF) ;
- **Incentivising** manufacturers, operators or leasing companies to invest into new sleeping carriers and other interoperable rolling stock. These incentives could take the form of a program **by the European Investment Bank** of loans with a preferential interest rate and bank guarantees by the European Investment Bank. These incentives would be offered against specifications such as the interoperability of the new material.



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2 Make infrastructure charges fair for European rail operators, to facilitate the launch of new lines and make better use of existing infrastructure

Infrastructure access charges are often too high to encourage rail operators to open new European train lines. This is for instance the case in France where track access charges are three times higher than the European average.¹

- In order to encourage the opening of new train lines, especially European train lines, member states need to **reduce and harmonize track access charges for international lines at least to direct cost level**. The French Government could play a key role in this process by using its European Union Presidency to moderate and reach an agreement between member states. Alternative funding mechanisms will have to be explored in each member state to ensure that sufficient resources remain available for infrastructure maintenance.
- In the short term and in accordance with EU law, the European Union and/or the member states could **contribute directly and temporarily to lower track access charges**. These temporary interventions could be similar to the interventions decided in the context of the Covid crisis, for rail freight for instance ; and conditioned to the respect of several requirements which would have to be specified for each line, for instance : the number of cities which are served, a minimum frequency of the train offer, special discount for families and youth, etc.



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¹ <https://www.autorite-transport.fr/wp-content/uploads/2020/07/comparaison-france-europe-transport-ferroviaire.pdf>

3

End the climate and fiscal impunity of the aviation sector, internalizing environmental impacts and leveling the playing field with low carbon transport

The unfair competition between transport modes, especially between train and plane, remains a major issue to develop new train lines through Europe. The aviation sector benefits from many advantages such as inter alia: kerosene taxation exemption, free allowances on the EU Emissions trading System (EU ETS) and international flights exemption, value added tax (VAT) exemption for cross-border flights.

- The revision of the Energy Taxation Directive planned in the “Fit for 55 package” will have to result in **an ambitious minimum rate for kerosene taxation as well as an ambitious date of implementation.**
- At the same time the EU ETS revision—also planned in the “Fit for 55 package”—will have to be strengthened by **including international flights and agreeing on a more ambitious date for ending the free allowances** for aviation.
- The VAT Directive will also need to be revised with the aim of putting **mandatory VAT on all flights departing from European airports.** At the same time, less polluting transport modes such as trains should benefit from a lower VAT rate in order to promote their use.



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About EuropeOnRail

EuropeOnRail is a European initiative led by Civil Society Organizations to reduce carbon emissions from international mobility by promoting night and day passenger trains between European cities and countries.

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