



How is the Rail Industry reacting to the Financial Crisis

Point of view of DG TREN

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● Short Term Measures in the Crisis

- March 2009: a specific €500 million call in the framework of the Commission's European Economic Recovery Plan to boost short-term investment in transport infrastructure.
- Community support will enable the bulk of supported activities to be implemented in 2009-10.
- After swift selection process, 262M€ out of the 500M€ have already been made available to rail infrastructure projects. The 13 selected rail projects will generate investment of more than €1,2 bn in rail infrastructure projects.
- Second dedicated ERTMS call with a view to allocate approximately 250M€ to the rail sector (including rail undertakings and leasing companies) to support ERTMS introduction.

● Long term strategy: revitalise the rail sector (I)

- Financial crisis no excuse for delaying ERTMS introduction; for deployment plan no immediate additional cost for RUs, only new locos delivered after 2015 and foreseen for international traffic have to be equipped
- Delaying ERTMS investment in infrastructure which is already taking place would be counterproductive
- Implementation of EU legal framework on charging RUs according to direct costs and maintaining of financial balance of IMs will help the rail sector
- Freight corridor regulation will strengthen coordination of IMs and allow more traffic on priority corridors

● Long term strategy: revitalise the rail sector (II)

- Financial crisis no apology for protectionism or measures to block competition in the rail sector, market opening increases competitiveness of rail also towards other sectors
- Putting more money into the rail system is not enough: financial flows must be made more transparent and subsidies should not lead to distortion of competition at the expense of efficient companies
- Clear restructuring plans necessary for state aids
- Anti-competitive practices such as predatory pricing to be pursued