



Wrocław European Rail CEO Summit Joint Declaration

on strengthening EU competitiveness through transport decarbonisation and sustainable mobility based on rail.

In the ongoing complex geopolitical situation and discussion on the future EU budget priorities, **it is the right moment to stress the important and essential role that railways play in making EU strategic objectives on competitiveness, resilience, sustainable mobility and climate neutrality truly achievable.**

Rail as the greenest transportation system and the only mass public transport mode ready to meet EU decarbonisation and climate goals today, remains the key tool to decarbonise the transport sector and make fulfilment of the EU's commitment to a 55% reduction in carbon emissions by 2030 realistic. Rail is undoubtedly the most ecological, safest and most emission-efficient means of transport, best implementing the "user pays" and "polluter pays" principles, with a very low carbon footprint and external costs.

However, rail is not only about ecology. The railway sector plays a pivotal role in Europe's transition to an increasingly green and energy-efficient transport system, that can support the sustainable development of the internal market, enhance the EU's strategic autonomy, reindustrialisation and supply-chains security. **It plays an unquestionable role in strengthening competitiveness and resilience of the European economy and society**, by securing their day-to-day functioning, whilst providing stability and continuity of passenger and freight flows in the EU regardless of crisis circumstances. It has proven effective in mitigating the socio-economic impacts of a series of major disruptions in recent years. The recent Enrico Letta and Mario Draghi reports on the future of the single market and EU competitiveness recognised clean transportation modes such as rail as important contributors to the competitiveness of the European economy by providing its mobility backbone for fast, sustainable, energy-efficient and safe movement of people and goods.

The competitiveness of rail is demonstrated on many levels. It is the safest mode of land transport; it remains the most efficient means of mass transportation for moving large numbers of passengers and goods, which contributes decisively to reducing traffic congestion as well as potential emissions from individual combustion vehicles. High-speed rail is a truly ecological alternative to intra-European short-haul flights. Rail transport is much more efficient in terms of space and land use, and is also a key pillar of intelligent urban planning processes and infrastructure development in the cities. Railway stations act as efficient multimodal interfaces in urban and suburban mobility chains. The rail sector makes a significant contribution to the European economy and to the completion of the European single market. Rail plays an important role in the transport sector generating jobs and growth throughout the EU economy, ensuring its cohesion and functioning. It also plays an important societal role and in the resulting public service obligations (PSOs), including affordability, social tariffs, safety and minimum quality standards. The European rail industry is a true European leader in technology and innovation, and its advanced rail industry solutions and products are recognised worldwide.

Finally rail is the most resilient and reliable mode of transport, as proven during the challenges of the Covid-19 pandemic and the war in Ukraine through the uninterrupted provision of transport services for passengers, refugees and strategic goods. It has also shown the important role it plays in the civil protection and military mobility context, providing, among other things, humanitarian and evacuation aid for those in conflict zones and areas affected by natural disasters, as well as allowing for efficient reallocation of military forces and equipment.

That is why investing in rail pays off, as socio-economic benefits of investing in rail far outweigh the costs. Investing an additional 1% of GDP in rail gives in return at least 1.5% of additional GDP over 4 years, as estimated by the International Monetary Fund. **Investment in rail helps not only to implement EU policy goals by providing efficient, intelligent, safe and ecological mobility, but also – thanks to the ecological credentials of rail – to meet the growing demand for transport without increasing emissions.**

Given these undisputed strategic roles, socio-economic benefits and green credential of railways, all previous and current strategic transport documents of the European Commission have called for a modal shift to rail. All of them have set ambitious targets, not least in the “Sustainable and Smart Mobility Strategy”¹, which introduces new modal shift goals, including a 50% increase in freight transport by rail by 2030 and doubling it by 2050, whilst making rail the backbone of Europe’s transport system.

However, despite best intentions and joint EU, Member State and rail sector efforts, significant challenges remain. **There is a huge gap between the EU’s climate and decarbonisation goals and the current reality.** The transport sector, with a 26% global contribution to emissions, is the only sector

¹ https://transport.ec.europa.eu/transport-themes/mobility-strategy_en

in Europe that has not yet managed to reduce greenhouse gas emissions. Emissions from transport are increasing instead of decreasing. The increasing demand for mobility and goods transport is being absorbed primarily by polluting transport modes, in contradiction with the EU's decarbonisation goals and at an irreversible cost to the environment, the ongoing climate damage, the already poor air quality in European cities, and the health of citizens. What's more - at the cost of young Europeans' futures and consequently the competitiveness of Europe. **No substantial progress in modal shift has been achieved so far.** The rail freight sector struggles to compete with polluting transport modes, whilst lack of or delays in implementation of EU rail legislation – also in the accomplishment and deployment of key rail infrastructure and digital enablers for increased rail efficiency, like ERTMS, DCM, DAC, FRMCS – **are calling for urgent EU and national decision-makers attention.**

The rail sector faces enormous investment needs to fulfil its decarbonisation role in the transport sector, whilst responding effectively to growing challenges and new requirements stemming from ambitious revised EU transport policy and legislation, as well as new military mobility and climate adaptation needs. These needs have not been sufficiently met by EU and national funding so far. What's more, rail struggles to keep a competitive edge over less sustainable modes of transport without a fully implemented level playing field and polluter and user pays principles.

These long-lasting negative trends put into question the realism and achievability of EU strategic objectives and whether current regulatory and financial frameworks are adequate to the task of their delivery. As rightly pointed to in ECA Special Reports 08/2016 and 08/2023, EU transport decarbonisation ambitions are not matched with appropriate regulatory and financial incentives. This has led to a continuous increase of road transport's modal share of inland freight transport since 2012, achieving a ~88% share in 2020, and absorbing, together with aviation, the growing demand for mobility and goods transportation in Europe.

Setting up strategic and ambitious goals requires a clear roadmap and creation of the right conditions for their achievement through appropriate, comprehensive and coherent measures supported by sufficient financial resources for their successful delivery.

Therefore clear decisions should be made, ensuring – given the unquestionable need to increase Europe's innovation and competitiveness, as well as its climate neutrality – **that everything is done to build modern, innovative zero-emission mobility in Europe as soon as possible,** that conditions and opportunities allowing clean transport like rail to thrive and truly compete with polluting transport are created and maximally supported, and that industry has sufficient incentive to support new and clean technologies in the sector.

Without consistent, comprehensive regulatory frameworks and stable and sufficient EU/national public financing that would lead to achieving economies of scale for sustainable mobility growth, the EU may fall short of achieving either climate and transport decarbonisation objectives or

boosting EU's competitiveness through clean mobility. Currently railways face unequal competition with polluting transport at incomparably higher operating costs related to infrastructure, rolling stock, energy and interoperability – **which it bears for being ecological and the safest, most resistant, most effective and efficient in terms of energy and space in mass and collective transport.**

As rightly stated in the Draghi report on Europe's competitiveness "transport can play a key role in decarbonising the EU economy, but whether it will prove to be an opportunity for Europe depends on planning". **Rail can play a key role in decarbonising transport provided that there is consistency, determination, complementarity and coherence of actions at EU and Member State level** – which will build a long-term, stable and comprehensive financial and legal foundation for the desired modal shift and the transition to sustainable and energy-efficient transport in Europe.

Therefore we, European rail CEOs, call on the EU and national decision makers to act and help boost rail development and make transport decarbonisation and modal shift goals truly achievable:

1. Ensuring implementation of appropriate and comprehensive EU regulatory frameworks providing a level playing field and competitive balance across all modes of transport and enabling clean transport to grow.

We call for:

- **an effective implementation of the "polluter pays" and "user pays" principles, with full recovery of the direct and external costs of polluting transport.** Revenues from the application of the polluter pays principle should be used to invest in the most sustainable modes of transport, in particular rail, thereby lowering external effects in transport;
- **adequate recognition of the important rail contribution to competitiveness and resilience of the EU economy and society,** through supportive legislative measures prioritising its development and modal shift to rail;
- **avoiding counterproductive measures** like allowing megatrucks on European roads or fuel tax exemptions for international aviation. Transport and tax policies should rather foster modal shift, which is about shifting people and goods from polluting to sustainable, safe and energy-efficient modes of transport like rail;
- **making sure that the EU's State Aid regulatory framework provides strong incentives for modal shift to rail,** including targeted support for the rail freight sector – such as:

- provisions for operating aid for rail freight services (including Single Wagon Load) that allow full compensation of the external costs saved that would otherwise be caused by road transport;
- the wider investment aid for renewal of the outdated European rail freight fleet and making it, together with passenger rolling stock, ready for ERTMS and other digital and multisystem capabilities - **regardless of the size and the status of the operators**. A significant part of the European freight and passenger rolling stock is approaching the end of its service life with soaring maintenance costs and reduced spare parts availability. It will soon have to be replaced with new, modern rolling stock that meets passengers' expectations and the requirements of modern logistics. Old and outdated rolling stock will not attract customers to rail services and has limitations to its interoperability and adaptation to modern logistics requirements;
- **mainstreaming the increase of energy-efficient transport systems in relevant EU policies and funding mechanisms**, by recognising the important role of sustainable and zero-emission transport modes in their realisation;
- **defining stable and predictable regulatory and financial frameworks with clear objectives and milestones**. The deadlines set in EU legislation imposing new technical specifications and requirements should take greater account of the life cycle of rail infrastructure, equipment and rolling stock in order to avoid premature renewal and subsequent loss of capital amortisation;
- **addressing demographic developments negatively affecting the workforce**, while creating an environment which enhances the overall attractiveness of the sector, including for current and future workers;
- **creating the right framework for capacity management** in Europe to foster long-term planning and international cooperation and increase capacity;
- **continuing and enhancing vital EU initiatives like [DiscoverEU](#)**, which offers thousands of young Europeans the chance to experience Europe by rail, thus supporting behavioural change towards sustainable modes of transport;
- **securing effective ERTMS coordination at EU level**. EU-wide deployment of ERTMS needs a single person or organisational unit within the European Commission (at DG MOVE level) to ensure coordination between deployment and technical development (now split into two separate directorates of DG MOVE) as well as coordinated implementation across the EU. There is a need for a strong management of the ERTMS project as a whole by the European Commission and for an establishment of an ERTMS Programme Manager position (responsible for the coordination of the technical and operational aspects).

2. Securing sufficient, long-term and stable rail funding and financing to realise ambitions and goals set out in key EU transport policies and strategies

We call for:

- **securing fair, long-term, and comprehensive funding for railways at both European Union and Member State level.** Significant investments are needed to upgrade, maintain, modernise and expand the railway network – including accomplishment of the core TEN-T network and development a Trans-European High-Speed Network – to implement the key digital enablers for railway interoperability and efficiency like ERTMS, FRMCS, DCM, DAC, to renew aging rolling stock and to effectively respond to new challenges related to military mobility and climate adaptation;
- **adequate reflection on the next EU Multiannual Financial Framework, to ensure the future of European railways and boost Europe’s competitiveness through clean and energy-efficient mobility based on rail.** Funds available for rail will have to be significantly increased if they are to be sufficient to finance the ambitions set out in many EU strategic policy documents such as the EU Strategy for Sustainable and Smart Mobility, or the revised TEN-T Regulation²;
- **maintaining and allocating more resources to essential instruments** such as the rail-targeted **Connecting Europe Facility for Transport as well as the Cohesion Policy**, which **both provide an important investment leverage for the development of rail in Member States**, and achieving the EU's ambitious transport decarbonisation targets;
- **securing adequate and sustainable public funding for cross-border projects, which are vital for the seamless functioning of the TEN-T Network**, the cohesion of the EU territory, and the strengthening of the internal market;
- **adequate involvement of private capital to complement public funding where needed**, in order to meet the ambitious investment needs to achieve the long-term European targets on TEN-T development and modal shift. This requires the development of a common understanding at European level on how to define a stable and efficient regulatory framework that can facilitate private financing;
- **earmarking at EU level a substantial share of the revenues from the Emissions Trading System to be used for the purpose of decarbonising land transport through rail**, making it possible to finance measures that require coordinated EU-wide investments;

² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32024R1679>

- **stronger mobilisation of public (EU and Member State) resources, aligning financing instruments with climate and energy policies** and allowing Member States to support the modernisation and expansion of rail infrastructure and services;
- **adequate reflection on military mobility needs**, including financing of dual-use infrastructure (both on the TEN-T core and comprehensive networks), military wagons, mobile ramps, cranes and other military transport requirements in the future MFF and European Military Mobility and Defence policies. It should however not be at the expense of other rail investments financed by CEF.

3. Giving high priority to rail at EU and Member State level within transport and decarbonisation policies and their implementing measures

We call for:

- **giving high priority to rail at both EU and Member State level, in particular national transport policies and decarbonisation strategies.**
- **including transport in the mandatory reporting within national energy and climate plans of the Member States**, in which they provide strategies for implementing decarbonisation – in realisation of the Commission's 2040 Climate Plan.
- **helping the rail sector incentivise the use of rail as first-choice transport mode through introducing an effective transport policy with relevant legislative and financial measures** – leading to reduction of rail operational costs, high-quality rail services and an attractive end-user offer, as well as better transport coordination and development of complementary and supporting services to rail.

At the same time, we commit ourselves to tighten and strengthen technical and operational cooperation among European railways, within the boundaries permitted by Competition Law. In particular:





- facilitate cross-border operations, through increased harmonisation in capacity management practices across the EU regarding railway infrastructure;
- working together on further rail technological and innovation advancements, including common deployment of ERTMS as well as future digital enablers, like DCM, DAC and FRMCS;

- enhance cooperation and exchange of know-how and best practices for the further increase of European railway sector competitiveness, cost-efficiency and resilience to position rail as a leading force in the achievement of EU competitiveness, decarbonisation and clean mobility goals;
- fostering cross-border cooperation in rail freight through an improved exchange of operationally necessary data and information;
- fostering a seamless cross-border experience for passengers, including implementation of the CER Ticketing Roadmap and journey continuation.

With this declaration, we call on European Commission leaders, Members of the European Parliament, Heads of States and Governments of the European Council to adopt and implement all measures necessary for creating adequate conditions for rail to grow and thrive. With this pivotal support, together we can boost the competitiveness and resilience of the EU economy through clean and energy-efficient mobility, whilst securing a prosperous future for the next generations of Europeans.

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Signed by:

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— Wrocław, 29-30 April —

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