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CER SPONSORS DEBATE ON EUROPEAN TRANSPORT POLICY CER PRESENTS EUROPEAN RAILWAY LEGISLATION HANDBOOK RELAUNCHED CER WEBSITE www.cer.be

Two new studies launched: White Paper – an assessment of progress and Update study on external effects

"The biggest disappointment since the European Commission's 2001 White Paper has been the lack of progress towards a fair and efficient pricing system across all modes of transport." This is the main finding of a new study¹ by Professor **Chris Nash**, launched on 6 October 2004 in Brussels. Current charges for road freight – on average, across Europe – are too low, and fail to reflect costs from congestion, accidents, air pollution and climate change. The result is that current prices are 'damaging rail transport'.

This conclusion is supported by new evidence from an update study² by INFRAS/IWW, using latest methodologies and data. This report finds that the ratio of the average external costs on road freight is approximately five times higher than rail. Correspondingly, the ratio is three times higher for private car use and passenger rail. A summary accompanying the study has been published jointly by CER and the International Union of Railways (UIC). **Markus Maibach** of INFRAS presented the findings of the study to the audience.

The study findings were launched during a lively debate on EU transport policy, organised by the Community of European Railway and Infrastructure Companies (CER).
The panel featured

- **Georg Jarzembowski**, Member of the European Parliament
- **Heinz Hilbrecht**, Director for Land Transport at the European Commission's DG TREN
- **Stephen Perkins** from the European Conference of Transport Ministers
- **Johannes Ludewig** from CER

The debate was moderated by **Robert Wright**, Transport Correspondent for the Financial Times. **Karel Van Miert**, former Commissioner for Competition and Chairman of the High-Level Group on the Trans-European Networks, concluded the discussion.

Karel Vinck, Acting Chairman of CER and CEO of the Belgian railways SNCB/NMBS welcomed the study findings, re-iterating the need to apply the polluter-pays-principle. **Georg Jarzembowski** disagreed: he questioned the polluter-pays-principle, arguing that road taxes should be levied to pay for infrastructure. The solution for congestion problems, he argued, was to build new roads and not to levy new taxes.

¹ The EU Transport Policy White Paper: an assessment of progress by the Institute of Transport Studies, University of Leeds. 2004.

² External costs of transport: Update study. INFRAS/IWW. Zurich/Karlsruhe, 2004.

Stephen Perkins argued that congestion costs are very real costs for industry. Many businesses actually support higher road charges, as long as it improves the reliability and speed of their deliveries. He stressed the need for a quick political solution on amending the Eurovignette Directive.

Heinz Hilbrecht defended the work of the Commission, pointing to the very large number of initiatives which have been successfully launched. On the Eurovignette issue, he stressed the political concern amongst peripheral countries about high road charges. Railways have to increase their efforts to provide a competitive alternative to road.

Johannes Ludewig stressed the key importance of pricing reform. Whilst railways are making great efforts to improve their competitiveness – a view shared by all participants – this is not a sufficient condition to improve rail's market share. "The current prices must better reflect all costs to society and not just infrastructure costs, otherwise prices – as today – do not reflect market reality and lead to wrong decisions of customers and passengers."

Karel Vinck added the need for a consistent funding framework for railways – rather than current arrangements that reflect short term political priorities. "You need certainty in your funding conditions and not budgets that go up and down each year as political priorities change."

Karel Van Miert made the analogy between this discussion and those of some 15 years ago on Directive 91/440. He acknowledged the efforts made by many railway companies in switching to commercial management practices, though he feels that real competition between the big market players is still lacking. He recalled the deregulation of the airline industry, in which it took nearly 10 years for legal reform to be matched by a change in operating conditions. Finally, he stressed the need for public authorities to provide sufficient modern rail infrastructure to allow for high quality service.

The studies launched in Brussels on 6 October are available from the website or in paper copy from the CER office.

CER Handbook on Railway Legislation

CER also launched its newly published "European Railway Legislation Handbook" ("Handbuch der Europäischen Eisenbahn-Gesetzgebung"; "Manuel de Droit Ferroviaire Européen") to the Brussels audience. The book, published by Eurailpress (www.eurailpress.com), is composed of a comprehensive introduction by CER in English, French and German as well as the texts of the relevant legislation passed over the last decade that concern the railways.

Press copies are available from Julia Macioti (julia.macioti@cer.be or tel. 02/2130890)

New website

CER has relaunched its website to make it more informative, provide easier navigation and continuously updated. All publications and much more information is accessible under www.cer.be

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