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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT AND THE COUNCIL**

Action plan to boost long distance and cross-border passenger rail

1. The green potential of rail

The European Year of Rail 2021 is an opportunity to boost European railways as clean, safe and convenient transport for all. Europe's rail transport is green, with 81%¹ of train-kilometres travelled in the European Union already powered by electricity², and causes a low climate impact³. Yet rail is not used to its full potential, especially not as a means of cross-border travel. Rail is estimated to represent only around 10% of collective cross-border passenger transport in Europe⁵.

Utilising this potential is a matter of urgency. The European Green Deal⁶ and the Sustainable and Smart Mobility Strategy⁷ put rail transport at the heart of the efforts to green the Union's mobility system. The common economic assessment⁸ underpinning the 2030 Climate Target Plan and the Sustainable and Smart Mobility Strategy looked at a range of possible pathways to cutting the economy-wide greenhouse gas emissions by at least 55% by 2030 and achieving climate neutrality by 2050. The central pathway focuses on a combination of carbon pricing and specific measures that support multimodal mobility and investments in sustainable, safe and smart transport. It shows that high-speed rail traffic would double by 2030 and triple by 2050 if these measures are implemented. The Strategy further aims for scheduled collective travel of under 500 km to become carbon neutral within the EU. It also underlines that nobody should be left behind: it is crucial that mobility is available and affordable for all and that rural and remote regions are better connected.

This Action Plan to boost long-distance, cross-border passenger rail shows the Commission's commitment to reach those ambitious goals. It provides a concrete roadmap with actions to be undertaken mainly within the next two years. When all actions are implemented, cross-border rail transport will become a much more attractive travel option on long distances for many Europeans across our continent.

The Single Market is a cornerstone of the European Union with a direct positive impact on consumers, businesses and public entities, and it has benefitted rail passengers with more frequent and innovative train services, at more attractive prices. The existing Union regulatory and policy framework for rail provides Member States and the sector with an array of tools and possibilities to implement the single European railway area, to remove barriers and to open the market for new players and services. The milestones the Sustainable and Smart

¹ https://webgate.ec.europa.eu/multisite/primeinfrastructure/system/files/prime_external_report_2019_final_210625_0.pdf

² https://transport.ec.europa.eu/transport-modes/rail/market/rail-market-monitoring-rmms_en

³ The average climate cost for trains is 0.05 €-cent per passenger kilometre, compared to 2.2 €-cent for airplanes, 0.5 €-cent for coaches and 1.2 €-cent for cars. Source: European Commission, Handbook on the external costs of transport, 2019, Table 69, <https://op.europa.eu/en/publication-detail/-/publication/9781f65f-8448-11ea-bf12-01aa75ed71a1>

⁴ European Commission, Handbook on the external costs of transport, 2019, Table 69, <https://op.europa.eu/en/publication-detail/-/publication/9781f65f-8448-11ea-bf12-01aa75ed71a1>

⁵ within EU, Norway, Switzerland and the United Kingdom combined. Study: Long-distance cross-border passenger rail services, Steer and KCW, October 2021

⁶ https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

⁷ https://ec.europa.eu/transport/themes/mobilitystrategy_en

⁸ COM (2020) 562 final, "Stepping up Europe's 2030 climate ambition - Investing in a climate-neutral future for the benefit of our people"

Mobility Strategy has set for the increase in the numbers of passengers travelling by high-speed rail can only be reached through additional investments by the Union, its Member States, the rail sector and private investors. Service improvements can be obtained by keeping in mind the European dimension of the rail network, capacity planning and by making tickets for train services easy to find and attractively priced, including as part of a comfortable multimodal journey. Freedom of movement across borders is one of the key achievements of European integration, and it must be ensured as we tackle the urgent need to make transport more sustainable.

2. Seizing the momentum for rail

Many changes that are needed to improve long-distance, cross-border rail services in the Union are underway and now is the moment to accelerate these efforts. Between 2001 and 2016, four regulatory packages for railway transport⁹ have created an enabling legal framework at Union level for rail by: gradually opening up rail markets for competition, promoting interoperability of national railway systems, and offering the conditions for the development of a single European railway area, where competition and the harmonisation of rules aim to increase and to improve the market offer for passengers. Affordability of rail tickets for passengers is thereby driven by optimisation and digitalisation of operations and by competition on the market which ensures an offer better adapted to customer needs, higher service quality and price competition. Market opening for cross-border services in 2010 and domestic services in 2020 were key milestones in this process.

This was accompanied by a very significant and continued investment support provided by the Union for the development of the rail trans-European transport network (TEN-T) as well as for research and innovation. In the period 2014 – 2020, the Commission co-invested with the private sector over EUR 900 million through the Shift2Rail Joint Undertaking, which supported more than 100 projects developing cutting-edge innovative solutions to create railway systems of the future for passengers. In the same period, the Connecting Europe Facility (CEF)¹⁰ supported over 400 rail projects with a contribution of approximately EUR 16.5 billion. These projects related to major cross-border connections, new passenger and freight lines, the upgrade and electrification of the network and its digitalisation with the European Rail Traffic Management System (ERTMS).

Key figures for international cross-border rail in the Union

Between 2001 and 2018 the number of railway passenger kilometres in the EU-27 rose from 339.9 to 407.2 billion¹¹. The share of high speed rail in this number increased significantly from 19.2% to 31%, nearly doubling from 65 to 126 billion passenger kilometres.

⁹ https://transport.ec.europa.eu/transport-modes/rail/railway-packages_en

¹⁰ <https://ec.europa.eu/inea/en/connecting-europe-facility>

¹¹ Statistical pocketbook 2021 (europa.eu)

The modal share of railways, measured in passenger kilometres, increased slightly from 6.7% to 6.9%. The modal shares of passenger cars, powered 2-wheelers and coach fell, whereas air traffic saw its modal share rise from 6.1% to 9.6%¹².

While between 2007 and 2018, cross-border passenger kilometres rose from 20 to 28 billion passenger kilometres (+40%)¹³, these make up just around 7% of all railway passenger kilometres.

The number of long-distance cross-border rail services in Europe¹⁴ has changed little since 2001, with around 4,500 train pairs per week. In this period, the number of night train services fell by 65% and the number of high-speed services increased by 95%. Also, the number of routes served declined, with a focus on more frequent services on core routes¹⁵.

In 2020 and 2021, the rail sector was seriously hit by the COVID-19 pandemic. Rail passenger kilometres fell in the Union by 75% in the second quarter of 2020 compared to the same period in 2019, and recovered slightly in the following quarters (-38% and -56% for quarters 3 and 4 respectively)¹⁶. National support measures helped only partially to address the negative impact of the crisis. Railway undertakings operating on a commercial basis, without subsidies, providing so-called 'open access' services, proved particularly vulnerable.

Against this background, the Recovery and Resilience Facility (RRF)¹⁷ offers an unprecedented opportunity for a renaissance of rail and new investments in rail, with almost 50 billion euro of additional funding expected for rail.

There is both the need and the momentum for stronger action on passenger rail. Member States have shown their commitment, inter alia through their Platform on International Passenger Rail and through the presentation of the Trans-Europe Express 2.0 concept¹⁸. In June 2021, the Council encouraged the further development of European rail passenger transport. The latest Eurobarometer¹⁹ on daily and longer-distance travel confirms that Europeans are ready to switch to a more sustainable mode for long distances provided it gets them to their destination as quickly (37%) or at a similar price (36%) compared to their usual mode of transport. The European Parliament resolution of 15 January 2020 on the European Green Deal stresses “...that the Single European Railway Area is a prerequisite for the modal shift ...” and highlights the need “to enable EU-wide equal access to public railway transport and to make passenger transport by rail more attractive”. Following the

¹² All modal split figures originate from the Statistical pocketbook 2020.

¹³ <https://ec.europa.eu/transport/sites/default/files/com20210005-7th-rmms-report.pdf>

¹⁴ EU, Norway, Switzerland and the United Kingdom

¹⁵ Study: Long-distance cross-border passenger rail services, Steer and KCW, October 2021

¹⁶ Railway passenger transport statistics - quarterly and annual data - Statistics Explained (europa.eu)

¹⁷ https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en

¹⁸ https://www.bmvi.de/SharedDocs/EN/Documents/K/innovative-rail-transport-overnight-21-09-2020.pdf?__blob=publicationFile

¹⁹ Special Eurobarometer 495, Summary, July 2020, p.27, <https://europa.eu/eurobarometer/surveys/detail/2226>.

Commission's proposal, 2021 was declared the European Year of Rail, raising expectations that must now be met.

3. Actions to boost long-distance and cross-border passenger rail

The passenger rail services market has been open for cross-border services since 2010 and for domestic services since December 2020. Open access operators can freely offer their services, provided they do not jeopardise the viability of existing public services²⁰. Experience and recent announcements by railway undertakings show that long-distance and high-speed services can often be operated profitably as open access services, including night train services²¹. Introduction of competition on high speed lines in Italy and in Spain, as well as on conventional routes in Czechia, Slovakia and Sweden has resulted in a more attractive offer, often at lower prices with increased passenger numbers²².

For connections or networks where the market is not (yet) able or willing to offer services which are deemed necessary for connectivity or otherwise desirable for society, competent authorities can use a public service obligation (PSO) and award public service contracts (PSC) to rail operators in compliance with Regulation (EU) 1370/2007 on public transport services by rail and by road ('the Land PSO Regulation')²³. PSOs can be imposed only when open access operators do not provide the services at the level and quality deemed necessary by the competent authorities.

Whether services are provided in open access or under a PSO, technical, operational and legal barriers continue to hamper the railway sector's development and market-entry. Hence the Commission conducted a study²⁴ and identified the following actions to remove obstacles to the further development of cross-border and long-distance passenger rail services.

3.1. Better implementation of the Union rail *acquis* and accelerated interoperability

Ensuring the full and correct implementation of the existing Union regulatory framework is essential to realise harmonisation of rules and market opening. In cooperation with Member States, the Commission will continue to work on the correct and full implementation and application of the rail *acquis*²⁵, including the removal of any redundant national rules²⁶.

²⁰ Member States can opt to limit the right of access for new rail passenger services between a given place of departure and a given destination when one or more public service contracts cover the same route or an alternative route. In this case, an economic equilibrium test can be requested to assess whether open access services would compromise the economic equilibrium of an existing public service contract.

²¹ In the study Long-distance cross-border passenger rail services (Steer and KCW, October 2021) a number of potential new night train services has been identified, which could be operated when framework conditions are right.

²² For example: in 2021, Ouigo España has carried over 400 000 passengers in its first three months of operations between Madrid and Barcelona. <https://www.railtech.com/policy/2021/08/20/good-results-for-the-first-three-months-of-ouigo-in-spain/>

²³ Regulation (EC) No 1370/2007 on public passenger transport services by rail and by road and repealing Council Regulations (EEC) Nos 1191/69 and 1107/70 (OJ L 315 3.12.2007, p. 1).

²⁴ Study: Long-distance cross-border passenger rail services, Steer and KCW, October 2021

²⁵ Notably Directive 2016/2370/EU (OJ L 352, 23.12.2016, p. 1–17), Directive 2012/34/EU (OJ L 343, 14.12.2012, p. 32–77), and the “technical pillar” of the fourth rail package (Regulation (EU) 2016/796 (OJ L 138, 26.5.2016, p. 1–43) and Directives (EU) 2016/797 (OJ L 138, 26.5.2016, p. 44–101) and (EU) 2016/798

Technical and operational barriers arising from the use of different systems hinder cross-border traffic and increase costs, and in this context, the deployment of the European Rail Traffic Management System (ERTMS) is of utmost importance to deliver benefits for passengers.

The deployment of ERTMS and the associated removal of legacy (Class B) signalling systems, must be accelerated. This will bring higher network performance and increased capacity at a lower price than building new infrastructure²⁷, alongside substantial maintenance cost savings for infrastructure managers. Commonly acknowledged, and demonstrated by experience, the use of systems like ERTMS with an appropriate block system enable up to 40% capacity increase on existing infrastructure. Timely and comprehensive uptake is still impeded by first-mover disadvantage, in particular for rail operators that retrofit before the new technology is fully rolled out and delivers all benefits.

In the context of the review of the TEN-T Regulation²⁸, the Commission proposes to accelerate the roll-out of (radio-based) ERTMS from 2050 to 2040 for the comprehensive network and for the newly introduced 'extended core network'. A dedicated TEN-T Coordinator for ERTMS assists the Commission in these efforts. The revisions of the Technical Specifications for Interoperability (TSIs) planned for 2022 will include improved processes for implementing new technologies and pave the way to the introduction of automated train operation, 5G rail communications, and potentially satellite based services on the network. New interoperable systems are supported by the Union's research programmes. The System Pillar introduced in Europe's Rail Joint Undertaking²⁹ will provide the mechanism to move towards a harmonised innovative framework, building on the achievements of the previous Joint Undertaking Shift-to-Rail.

The Commission will:

- accelerate the work to ensure implementation and correct application of the four railway packages;
- accelerate work on removing national operating and infrastructure rules and further develop deployment plans for the implementation of Technical Specifications for Interoperability to ensure these are coherent across borders;
- propose the acceleration of the roll-out of ERTMS in the revision of the TEN-T Regulation (from 2050 to 2040 for the comprehensive network, by 2030 for the core network);
- propose a revision of the Technical Specifications for Interoperability in 2022;
- continue its efforts to:

(OJ L 138, 26.5.2016, p. 102–149)), together with the Technical Standards for Interoperability (TSI) and Common Safety Methods Regulations established under them.

²⁶ For example by expanding to passenger rail the use of the "issues logbook" which identifies concrete cross-border issues related to interoperability.

²⁷ ERTMS business case on the 9 core network corridors - Publications Office of the EU (europa.eu)

²⁸ Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU (OJ L 348, 20.12.2013, p. 1–128).

²⁹ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/11910-European-Partnership-for-transforming-Europe%E2%80%99s-rail-system-Horizon-Europe-programme-_en

- ensure full and comprehensive compliance with Union harmonised technical specifications and common safety methods, including by adopting a strict approach to derogations and exceptions;
- shorten the time to market of key new technologies/applications and achieve Union harmonised implementation of respective new requirements and standards, through legal, technical and financial support³⁰;
- ensure TSIs cover appropriate standardisation of all rail system interfaces;
- continue to support equipping infrastructure with ERTMS with a special focus on closing existing gaps such as cross-border sections, nodes and terminal connections;
- leverage the work of Europe's Rail Joint Undertaking and promote faster and coordinated deployment of innovation through the system pillar;
- discuss the possibility to exempt the public financing of ERTMS from the notification obligation under State aid rules, which may speed up the roll out of ERTMS.

ERA should:

- support the Commission's endeavours with timely advice and technical proposals and in particular the recommendations for the TSI revision;
- continue and finalise the work with Member States on the elimination of national technical, safety and operating rules that were harmonised at Union level;
- support Europe's Rail Joint Undertaking in the system pillar.

3.2. A strengthened infrastructure for passenger rail

The trans-European transport network as defined in Regulation (EU) No 1315/2013 has established a core network to be realised by 2030 and a comprehensive network to be realised by 2050. The TEN-T policy has put stronger focus on cross-border connections, organising the most important connections in corridors in order to ensure coordinated planning and implementation. It also ensured a solid basis for closer cooperation on infrastructure planning and development with neighbouring third countries. Key routes with third countries are essential to complete the European railway network and the Union membership of OTIF contributes to ensuring that European technical requirements may apply beyond the Union rail network.

The Directive on streamlining measures for advancing the realisation of the trans-European transport network adopted on 7 July 2021³¹ will ensure faster procedures for permit granting of projects. In the period 2021-2027, railway infrastructure will continue to be the primary beneficiary of the Connecting Europe Facility, and will continue to benefit from support from the Cohesion Fund³² and the European Regional Development Fund³³.

³⁰ Examples of areas for requirements integrating immanent innovation are automated driving, digital automatic coupling and future radio communication.

³¹ Directive (EU) 2021/1187 of the European Parliament and of the Council of 7 July 2021 on streamlining measures for advancing the realisation of the trans-European transport network (TEN-T), OJ L 258, 20.7.2021, p. 1–13.

³² https://ec.europa.eu/regional_policy/en/funding/cohesion-fund/

³³ https://ec.europa.eu/regional_policy/en/funding/erdf/

The proposal for the revised guidelines for the TEN-T network significantly contributes to improving the cross-border passenger rail network. The proposal comes with a map of key high-speed passenger rail lines that must be completed by 2030, and a further number of lines that are part of the strategically most important links of the TEN-T network to be delivered by 2040. These lines span the entire European continent. The proposed Regulation moreover sets a minimum standard speed of 160 km/h for rail passenger lines on the TEN-T core network and the newly created extended core network and strengthens connections between important nodes across Europe, to be achieved by 2030 for the core network and by 2040 for the extended core network. As passengers are interested in door-to-door journeys, the Commission proposes that all major airports in the Union as well as multimodal passenger hubs in major European cities are connected to train services.

The Commission is proposing a revision of the trans-European transport network (TEN-T) Regulation³⁴, which will improve the passenger rail network and ensure its better integration within the multimodal transport system. The proposed revised Regulation will ensure:

- new high quality infrastructure for passenger rail;
- more ambitious standards and implementation deadlines;
- a minimum line speed of 160 km/h for the core and the extended core network;
- a strong focus on the delivery of the core network by 2030 and further planned high-speed rail connections in the extended core network to be realised by 2040;
- particular emphasis on first/last mile connectivity through multimodal passenger hubs in all EU cities above 100,000 inhabitants that are connected to the TEN-T network;
- strengthening of air-rail connectivity for all core EU airports and EU airports above 4 million passengers.

3.3. Sufficient rolling stock availability

The setting up of new rail services requires large investments in rolling stock, either by railway undertakings, by rolling stock leasing companies or by competent authorities where the service is provided under a PSO.

Although most long-distance cross-border services can be operated commercially, there is a need to kick-start the availability of rolling stock for these services. Public support to the creation of pools of long-distance cross-border rolling stock, or to the mitigation of commercial risks for leasing companies when acquiring and leasing out long-distance cross-border rolling stock, could help generating the desired boost. To preserve a level playing field, such public support should be given under clear and non-discriminatory framework conditions. Similarly, under the current Railway Guidelines,³⁵ State aid for the financing of rolling stock can be provided if that support contributes to an objective of common interest, whilst ensuring a level playing field among railway undertakings and among rolling stock

³⁴ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12532-Trans-European-transport-network-TEN-T-revised-guidelines_en

³⁵ Communication from the Commission, Community guidelines on State aid for railway undertakings (2008/C 184/07), (OJ C 184, 22.7.2008, p. 13–31).

leasing companies. The current revision of the Railway Guidelines will also tackle the identified restrictions to the access to rolling stock. Under certain conditions, rolling stock can also be financed under the Union's Cohesion Policy Funds.

To boost the availability of rolling stock, the European Investment Bank (EIB) is now launching the Green Rail Investment Platform to assist investments by both public and private entities in rail projects through existing EIB products and through financial instruments made available by the Commission³⁶. The objective of the platform is to support sustainable rail investments in infrastructure, rolling stock and digitalisation. Selected projects in the area of acquisition of rolling stock for cross-border or long-distance commercial passenger operations or cross-border high-speed freight services may be eligible to benefit from InvestEU³⁷. In the last five years, the EIB supported rail investment in the Union with almost EUR 17bn of loans, of which over EUR 8.7bn for rolling stock, including projects for retrofitting and upgrade with ERTMS, with similar levels of lending expected in the next five years. In addition, the InvestEU program can deliver and attract private financing, including promoting green bonds, and advice to support the digitalisation and the deployment of rail innovative companies, sustainable infrastructure, and rolling stock. Tools like the Union taxonomy for sustainable activities can act as a guide to match investments with Union climate and environmental goals.

In its conclusions of 3 June 2021³⁸, the Council recognised *“that major investment by the sector in international long-distance rolling stock is required”* and *“also that investment is urgently needed from the private sector”* reminding *“Member States of the existence of international agreements and treaties which facilitate private investment, such as the Luxembourg Rail Protocol to the Cape Town Convention [on International Interests in Mobile Equipment].”* The Union (in respect of its competences) and several Member States have already ratified the Protocol. Upon its entry into force, the Protocol will make it easier and cheaper for the private sector to finance railway rolling stock. The Commission will promote its swift implementation across the Union.

With progressive implementation of interoperability requirements for rolling stock and infrastructure, locomotives, trainsets and passenger coaches will be able to cross borders freely and run on multiple (or on all) networks in the Union. Such "go-everywhere" rolling stock will make the setting up and operation of cross-border services easier and would greatly reduce the residual-value risk for investors or lenders. It will be a priority for the Commission to develop, by 2022, requirements to boost such “go-everywhere” rolling stock.

³⁶ The Green Rail Investment Platform is a vehicle to deploy the EIB's technical and financial capacity and the EU financial instruments to explore viable business models and boost opportunities to finance rail transport. For eligible projects with robust loan structure, EIB can finance up to 50% of the project costs, offering loan tenors that match the life of the assets at attractive interest rates. Eligible projects with high credit risk profile may benefit from an Union guarantee under InvestEU.

³⁷ Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30–89).

³⁸ Council's conclusion of 3 June 2021 “Putting Rail at the Forefront of Smart and Sustainable Mobility”, Section V, Networks, investment and connectivity, point 38.

The Commission will:

- in cooperation with the European Investment Bank, actively seek eligible pilot projects to acquire rolling stock under the Green Rail Investment Platform / InvestEU;
- prepare “go-everywhere” passenger rolling stock specifications, in cooperation with ERA (a TSI deliverable expected for 2022);
- clarify by 2023 the State aid rules on public funding of interoperable rolling stock for cross-border services in the revised Railway Guidelines. The issue of scrapping of existing rolling stock will be addressed in this context;
- continue supporting the fitting and retrofitting of rail vehicles with ERTMS;
- promote the ratification of the Luxembourg Rail Protocol to the Cape Town Convention and support its implementation within the EU.

The EIB plans to :

- launch the Green Rail Investment Platform, to finance, among other things, rolling stock.

3.4. Bringing train drivers and railway staff training and certification in line with future needs

Efficient, safe and secure operation of rail services requires the availability of train drivers and other rail staff who can work seamlessly across borders and across operational and language barriers. Increased cross-border operations require to develop ways to monitor emerging issues such as respect for driving and rest times. Today’s train drivers are certified in respect of each locomotive and train they are expected to operate, and for each route they will run upon. Harmonisation and recognition of training and certification was an intended goal but was not satisfactorily achieved by the current Union framework³⁹⁴⁰. Moreover, requirements for train staff on cross-border rail services to communicate in the language of each Member State that they are crossing, add complexity and limit the number of personnel that can operate such services.

At the same time, the railway sector faces skill shortages driven by innovation and digitalisation, which the estimated retirement of a large share of the existing workforce within the next 10 years might exacerbate. The green transition and the consequent rise of new job profiles will further increase the need for new skills and competences. The Railways Sectoral Social Dialogue supports making the profession more attractive, including for young people and for women. In the context of this Dialogue, the legally binding agreement on “Women in rail”⁴¹ was signed in November 2021. During the European Year of Youth, the Commission will continue supporting actions to attract young people to professions in the rail sector.

³⁹ Commission Regulation (EU) No 36/2010 of 3 December 2009 on Community models for train driving licences, complementary certificates, certified copies of complementary certificates and application forms for train driving licences, under Directive 2007/59/EC of the European Parliament and the Council (OJ L 13, 19.1.2010, p. 1–27).

⁴⁰ [Evaluation of Directive 2007/59/EC of the European Parliament and of the Council of 23 October 2007 on the certification of train drivers operating locomotives and trains on the railway system in the Community: Executive summary, SWD\(2020\) 138 final: \[swd20200138-exec-summ-certification-train-drivers_en.pdf\]\(#\) \(\[europa.eu\]\(#\)\)](#)

⁴¹ <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=10097&furtherNews=yes>

Apprenticeships should play a fundamental role in equipping young people with skills and knowledge that will match sector needs and ensure their employability. The Commission calls upon railway undertakings to join the “European Alliance for Apprenticeships”⁴² and to offer an increased number of apprenticeships. The European Year of Youth 2022 is a suitable platform to support and strengthen such initiatives. The Erasmus+ funded STAFFER⁴³ project can support an overall skills strategy for the rail sector, develop concrete actions to address short- and medium-term skills needs, and thus constitute a basis to build a large-scale skills partnership under the “Pact for Skills”⁴⁴.

Building on the successful implementation of the Union Action Plan for Rail Security⁴⁵, the Commission will continue its engagement with Member States and stakeholders to maintain the highest levels of protection for rail users, workers and infrastructure.

The Commission will:

- propose in 2022 a revised regulatory framework for train drivers, addressing the shortcomings of the existing regime and limiting the recurrent obligation to obtain additional documents and certificates. Such a proposal may also include the language regime for train operations and modifications reflecting the technological developments in the sector;
- promote policies and programmes to up-skill and re-skill staff and to ensure that future skills needs are met, for example through supporting interested stakeholders with a view to potentially establishing a large-scale skills partnership in the railway sector under the Pact for Skills, building on the rail sectorial skills blueprint STAFFER.
- use the 2022 Year of Youth to highlight the attractiveness of the rail sector for young talent.

3.5. A more efficient use of the networks

To be able to offer frequent and quick passenger services across the Union, the rail sector needs to plan timetables and capacity better taking into account cross-border aspects and the Single European Rail Area⁴⁶. For railway undertakings planning to introduce long-distance cross-border services, obtaining attractive cross-border train paths can be complicated, costly and very inflexible, especially for new entrants. A growing share of sections and nodes of the rail network in the Union is already intensely used, imposing limitations on the further expansion of rail services and resulting in the need to prioritise between different types of passenger and freight services. In this context, cross-border services often face a disadvantage vis-à-vis domestic services in the competition for scarce capacity. This also affects night trains entering major stations during the morning peak traffic.

⁴² <https://ec.europa.eu/social/main.jsp?catId=1147&langId=en>

⁴³ <https://www.railstaffer.eu/>

⁴⁴ <https://ec.europa.eu/social/main.jsp?catId=1517&langId=en>

⁴⁵ COM(2018) 470 Annex

⁴⁶ For example: the Budapest – Vienna services can benefit up to 17 minutes at the border by implementing coordinated digital timetabling. Some of the Amsterdam – London services are idling at intermediate stops because timetables are not matching across networks.

A more efficient and adaptable system is required for an optimal capacity management that takes into consideration all relevant elements, for both passenger and freight traffic. The current Union legislation⁴⁷ imposes an annual capacity allocation procedure, developed in a period where there was more redundant track capacity. This procedure, with a fixed timeline for all types of rail services, cannot accommodate both the longer planning horizons for long-distance (cross-border) passenger services and the short-term capacity requests, including for rail freight services. In addition, it makes it difficult for new entrants to secure suitable train paths to satisfy market demand.

An integrated Timetabling and Capacity Redesign programme (TTR) effectively allows railway operators to do priority planning for seamless cross-border connections, before completing their planning with national and regional services. This game-changer can make cross-border passenger services in the Union quicker, more frequent and hence more attractive. The Commission will therefore in 2022 assess the need and propose if necessary regulatory action to incorporate TTR and other best practices into Union law. The Commission will propose a revision of the Regulation on rail freight corridors⁴⁸ and use that occasion to ensure coherent capacity allocation and traffic management at European level for both cross-border rail freight and passenger services. Options could include the creation of an entity at Union level to support more efficient management of rail capacity for both passenger and freight trains, to monitor and optimise the performance of trains running on the Union network. Transport actors should exchange operational data between modes to facilitate customised intermodal solutions to contribute to an optimal use of the entire transport system.

The Commission will:

- assess the need and propose if necessary regulatory action in 2022 to improve capacity allocation and traffic management processes, aiming at better coordination of the capacity allocation within the overall rail system, covering passenger and freight services;
- consider a Union-level entity overseeing the optimisation of cross-border rail traffic and coordination mechanisms for its better integration to the national traffic.

3.6. Appropriate pricing for track access

Whilst rail receives public funding, this does not translate into a competitive level of charges for using the infrastructure that would increase rail traffic and reduce ticket prices. Fixed infrastructure costs of rail are high compared to other transport modes⁴⁹ and Directive 2012/34/EU allows infrastructure managers to levy mark-ups, beyond direct costs for using

⁴⁷ Directive 2012/34/EU

⁴⁸ Regulation (EU) No 913/2010 of 22 September 2010 concerning a European rail network for competitive freight (OJ L 276, 20.10.2010, p. 22–32). The recent evaluation of the Regulation has shown that the rules and structures established by the Regulation – while strengthening dialogue and cooperation between stakeholders – have not significantly improved the conditions for the operators of cross-border rail freight services.

⁴⁹ European Commission, Sustainable transport infrastructure charging and internalisation of transport externalities: Executive Summary, May 2019, page 5

the infrastructure, where the market can bear them. This provision is widely applied, in particular to long-distance and high-speed passenger services.

At the same time, the external costs caused by rail to society are very low compared to other transport modes⁵⁰. However, this aspect is only partially reflected in the actual costs and taxation of the various modes.

High and diverse track access charges across borders, notably in terms of mark-ups, are a decisive cost factor and can hinder the setting up of new services, and can hinder to attract new entrants and private investment.

Member States can strongly influence the level of mark-ups on track access charges through the level of funding provided to infrastructure managers. If such funding is used efficiently, there is less necessity for the infrastructure managers to apply high track access charges. Member States can also put in place compensation schemes for the unpaid environmental, accident and infrastructure costs of competing modes⁵¹, in accordance with the Railway Guidelines. Conversely, infrastructure managers have an obligation, imposed indirectly on them by Directive 2012/34/EU, to coordinate and guarantee the optimal competitiveness of cross-border rail services. Triggered by the collapse of passenger travel during the COVID-19 pandemic, a Regulation⁵² allows Member States to temporarily reduce or waive track access charges to support rail.

Member States and infrastructure managers should use these provisions to improve current charging practices and, by that, increase the overall service offer and rail's competitiveness. Discussions are taking place within the Platform for Rail Infrastructure Managers in Europe (PRIME). The clear objective should be to ensure that mark-ups are only applied where the market can bear them and where it does not damage rail's competitiveness.

The Commission will:

- provide guidelines in 2023 for setting track access charges which support and encourage the development of long-distance and cross-border passenger services;
- actively promote pilot projects to explore whether a reduction of track access charges to direct costs levels could better support the set-up of cross-border services;
- consider, in the context of the revision of the Railway Guidelines in 2023, the possibility to exempt the public financing of the reduction of track access charges from the notification obligation under State aid rules.

⁵⁰ For example: the average climate costs for rail are 0.05 €-cent per passenger kilometre, compared to 2.2 €-cent for air, 0.5 for coach and 1.2 €-cent for car. (European Commission, Handbook on the external costs of transport, 2019, Table 69, <https://op.europa.eu/en/publication-detail/-/publication/9781f65f-8448-11ea-bf12-01aa75ed71a1>)

⁵¹ Article 34 of Directive 2012/34/EU

⁵² Regulation (EU) 2020/1429 of the European Parliament and of the Council of 7 October 2020 establishing measures for a sustainable rail market in view of the COVID-19 outbreak (OJ L 333, 12.10.2020, p. 1–5).

3.7. User-friendly ticketing and access to the rail system

For rail to become an attractive travel choice for many more passengers, decisive action is needed in the area of ticketing, so that cross-border train tickets become easier to find and book, and more attractive in price. Although this is acknowledged by the sector⁵³ ⁵⁴, experience of the last two decades shows that sector-driven initiatives are very slow to mature due to vested interests and to unwillingness to embrace benefits that market opening can bring. It must become as easy and convenient for passengers to compare and buy rail tickets as it is for other transport modes, in a single transaction and using state-of-the-art technology⁵⁵. Passengers needing to connect between trains should be confident that they arrive in time or, failing that, that they will be provided with the necessary assistance to reach their destination. Ticket vendors and railway undertakings should be able to offer seats based on a level playing field, including well in advance of the actual train journey. Railway companies and ticket vendors should be able to offer attractive tickets without undue market barriers when accessing existing ticket vending channels, ticket and fare data as well as data and operations in reservation systems.

The Commission initiative on multimodal digital mobility services, together with the revision of the TSI on Telematics Applications for Passenger (TAP TSI) and the new obligation for provision of real-time travel and traffic information laid down in the new Rail Passenger Rights Regulation⁵⁶, will ensure the technical availability of data for independent ticket vendors and real-time information to passengers. As foreseen by the Fourth Railway Package, the Commission will report in 2022 on the availability of common information and through-ticketing systems. Ahead of these initiatives, the Commission will engage with the rail sector and support implementation of commitments presented in the March 2021 Sector Statement⁵⁷, based on fair, reasonable and non-discriminatory (FRAND) principles. To make cross-border train travel attractive, passenger also need to be protected throughout the journey. The new Rail Passenger Rights Regulation adopted in April 2021, introduced for the first time an obligation to offer through-tickets from 7 June 2023, but on a rather limited basis⁵⁸⁵⁹.

⁵³ <http://www.cer.be/publications/latest-publications/sector-stakeholder-statement-international-rail-passenger-services>

⁵⁴ <https://www.cer.be/publications/latest-publications/cer-ticketing-roadmap>

⁵⁵ Such as, for example, the digital wallet: https://ec.europa.eu/commission/presscorner/detail/en/IP_21_2663

⁵⁶ Regulation (EU) 2021/782 of 29 April 2021 on rail passengers' rights and obligations (OJ L 172, 17.5.2021, p. 1–52).

⁵⁷ The Sector Statement has been developed in the framework of the Member State Platform on International Passenger Rail, <http://www.cer.be/publications/latest-publications/sector-stakeholder-statement-international-rail-passenger-services>

⁵⁸ The obligation concerns carriers that qualify as a “sole undertaking”; they shall offer all their long-distance (international and domestic) or regional rail services as a through-ticket (Article 12 (1) of Regulation (EU) 2021/782). Regarding services operated by the same railway undertaking, the transfer of rail passengers from one service to another will be facilitated by the introduction of an obligation to provide through-tickets, since no commercial agreements between railway undertakings are needed. The requirement to provide through-tickets apply also to services operated by railway undertakings belonging to the same owner and wholly-owned subsidiaries. For other rail passenger services, railway undertakings shall make all reasonable efforts to offer through-tickets and shall cooperate to that end among themselves. Where passengers are not correctly informed, the railway undertaking should be liable as if those tickets were a through-ticket.

However, the limited obligation to offer them and the lack of existing market offer of through-tickets limits the protection of passengers, and thus reduces the attractiveness of rail. It is essential that passengers combining several trains into one journey are sure that they will not be stranded if one of the trains is late, regardless of whether the tickets were sold as a through-ticket or as separate contracts. A solution could be to ensure at least that the passengers travelling on combined separate tickets can continue their journey in case of missed connections under certain conditions. The Commission will therefore address the issue of journey continuation in case of delays as part of the initiative on multimodal digital mobility services.

Affordability is key to ensure that everyone is part of and benefits from the green transition. As outlined in the Communication on a long term vision for the EU's rural areas⁶⁰, the Commission will pay full attention to improved connectivity also for rural and remote areas, notably through a dedicated flagship initiative on sustainable multimodal mobility best practices for rural areas.

It is also essential to ensure that persons with disabilities and those with reduced mobility get access to long-distance and cross-border passenger rail services on equal basis with others, including to ticketing or new digital developments. As a reference, the accessibility requirements in the European Accessibility Act⁶¹ should be applicable to all rail services. This is supported by the TSI relating to accessibility of the Union's rail system for persons with disabilities and persons with reduced mobility⁶² and the new Rail Passenger Rights Regulation adopted in April 2021.

The Commission will:

- propose a Regulation, to be adopted by the end of 2022, on multimodal digital mobility services to enhance data exchange between mobility providers and facilitate the conclusion of fair commercial agreements among railway undertakings and with third-party ticket sellers, including journey continuation and protection in case of missed connections for passengers travelling on combined separate tickets;
- monitor the compliance with the new Rail Passenger Rights Regulation, once it becomes applicable in June 2023.

3.8. A level playing field with other transport modes

⁵⁹ The Commission is reviewing the options for multimodal passenger rights in the context of the planned review of the passenger rights regulatory framework (Action 63 of the Sustainable and Smart Mobility Strategy Action Plan).

⁶⁰ COM(2021) 345 final

⁶¹ Directive (EU) 2019/882 of the European Parliament and of the Council of 17 April 2019 on the accessibility requirements for products and services (OJ L 151, 7.6.2019, p. 70–115).

⁶² Commission Regulation (EU) No 1300/2014 of 18 November 2014 on the technical specifications for interoperability relating to accessibility of the Union's rail system for persons with disabilities and persons with reduced mobility (OJ L 356, 12.12.2014, p. 110–178).

The Commission has already made proposals to enable competition on equal footing among different modes. With the Fit for 55 package⁶³ presented on 14 July 2021, the Commission has put forward an ambitious set of proposals to align economic incentives with climate, social and environmental objectives, while recognising differences in the global and competition context under which different modes of transport operate. This includes proposed changes to emission trading and to the energy taxation framework.

Member States have strong tools in their own hands to ensure that various transport modes can compete on equal footing. For example, Member States have considerable scope to influence the price of rail through national taxation. In this vein, in 2020, Germany decided to lower VAT on long-distance rail tickets from 19% to 7%. The Commission will assess the need for an EU-wide exemption of international rail tickets from VAT to significantly reduce the cost to rail passengers.

A level playing field between modes can also be facilitated by allowing for the emergence of innovative offers that combine transport modes. For example an easier combination of air and rail tickets helps giving rail a more prominent role to feed to long-haul flights. Some Member States have a long experience in facilitating airlines to sell tickets on train services and to transport passengers to their hub airports by rail rather than by plane⁶⁴.

In the context of the review of the Air Services Regulation⁶⁵, the Commission is assessing the possibilities and the criteria, under which EU countries may limit air traffic on some routes if more sustainable modes offering an equivalent level of service exist, without undermining Single Market principles. Together with the initiative on multimodal digital mobility services⁶⁶, this could help identify options to boost the emergence of multimodal service offerings that combine air and rail services.

The Commission will:

- Work with Parliament and Council to facilitate a swift adoption of the proposals in the ‘Fit-for-55 package’, including on carbon pricing and emissions trading in transport modes;
- Assess the need for an EU-wide VAT exemption for international train services;
- Support and promote air-rail multimodal journeys on routes where the suitable infrastructure is in place to deliver such services, and assess regulatory options to facilitate such multimodal services.

⁶³ https://ec.europa.eu/commission/presscorner/detail/en/IP_21_3541

⁶⁴ Some examples for air-rail tickets already in existence include (cross-border) connections to the airports in Paris and Frankfurt and between Amsterdam Schiphol and Brussels Airport. <https://accesrail.com/general-information/#>

⁶⁵ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13255-Revision-of-the-Air-Services-Regulation_en

⁶⁶ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13133-Multimodal-digital-mobility-services_en

3.9. Public Service Obligations to promote sustainable cross-border and/or multimodal collective transport

For connections or networks where there is an established public need and where the market is not (yet) able or willing to offer services which are deemed necessary for connectivity or otherwise desirable for society, competent authorities can impose public service obligations (PSO) and award public service contracts (PSC) to rail operators, typically involving a financial compensation. However, PSO should not be used to restrict competition and to prevent open access services from being offered.

The Land PSO Regulation provides for the possibility for competent authorities to cooperate and to establish cross-border PSOs. A number of PSOs have already been imposed for cross-border passenger rail services within the EU. However, competent authorities often face practical and administrative barriers when coordinating their respective processes to implement a cross-border PSO. Some cross-border services are "hybrid" services: cross-border services combining one or more legs operated under PSOs with one or more legs operated under an open access regime. In the absence of specific Union rules for such hybrid services, particular care should be taken by competent authorities to avoid distortions of competition and the risk of cross-subsidies.

An alternative way for Member States to support rail services could be to use the existing possibilities under Article 34 of Directive 2012/34/EU, in accordance with State aid rules, to refund track access charges to compensate for unpaid external costs of competing modes.

Furthermore, establishing a PSO in collective transport constitutes an opportunity for competent authorities to specify environmental sustainability requirements. This can be particularly relevant for multimodal land transport where zero emission vehicles and rolling stock already exist. The current rules already allow for a multimodal PSO system to a certain extent, where a passenger uses more than one mode of transport on a journey and each of those modes of transport is operated under a PSO. The PSO regime and internal market rules differ depending on the transport mode. Currently there are three different legal frameworks for land, maritime and air transport. It is possible to award separate PSCs for each mode of such a journey. It is also possible to set up a multimodal PSO within the land transport mode (rail/bus/other track based transport). In the latter case, such a multimodal land PSO would be fully covered by the land PSO Regulation.

To facilitate and promote cross-border services, the Commission will issue interpretative guidelines on land PSO services to help Member States and competent authorities setting up cross-border PSOs that fully comply with Union legislation.

The Commission will:

- publish interpretative guidelines in 2022 for applying the Land PSO Regulation, including to long-distance and cross-border rail passenger services and to promote and support the development of sustainable multimodal land transport services.

3.10. Empowering youth

The 2021 European Year of Rail will be followed by the 2022 Year of Youth, offering an excellent opportunity to support the next generation in choosing a sustainable mode of transport. Through DiscoverEU⁶⁷, the Union already provides free 30-day travel rail passes to 60,000 Europeans aged from 18 to 20 years for travel between March 2022 and February 2023. Further gains can be made for the approximately one million yearly Erasmus students, who could use rail to travel to their exchange destination⁶⁸.

The Commission will:

- consider amending Erasmus reimbursement rules to promote the use of sustainable modes of transport to Erasmus exchange locations.

4. Pilot services

The actions included in this action plan should be implemented as a matter of urgency. Thus, already anticipating this action plan, the Sustainable and Smart Mobility Strategy calls for "*pilot services on some routes involving all interested stakeholders*". The Commission will support rail sector stakeholders and other interested parties when they launch cross-border pilot services. As many key passenger lines will be on the TEN-T Transport Corridors, TEN-T Coordinators will have dedicated responsibilities to develop work plans supporting the development of cross-border rail services on these corridors, notably by proposing strategic investments and by monitoring the performance of rail traffic via operational improvements such as integrated time-tabling and capacity allocation.

These pilot services form an opportunity to test and implement measures identified in this action plan. They could entail quicker city-to-city connections, making use of new approaches such as integrated timetabling, support for rolling stock, or PSOs for cross-border connections. The pilots could focus on key routes with a large potential to attract passengers to train services. From 2022, the rail sector will be encouraged to submit proposals for pilot services, either for enhancing existing, or for the establishment of new services. The Commission will support these pilots by facilitating contact between all relevant stakeholders, by providing assistance, and by ensuring that rail capacity and traffic management aspects are facilitated through technical assistance provided under CEF to RailNetEurope. The Commission will also assist in the identification of financing opportunities for particular pilots, as highlighted in this Action Plan. Although many of the train services will be viable commercially, the Connecting Europe Facility can finance technical assistance, and support studies and preparatory activities relating to new technologies and innovation.

⁶⁷ https://europa.eu/youth/discovereu_en

⁶⁸ www.erasmusbytrain.eu

5. Conclusion

Especially in view of the ambitious goals of the European Green Deal and the Sustainable and Smart Mobility Strategy, it is high time to give a boost to long-distance and cross-border passenger rail services. This can be done by removing remaining obstacles and accelerating implementation of the single European railway area, increasing investments in a state-of-the-art Union high-speed railway network and actions in areas such as ticketing and improved railway operations to make cross-border rail the default sustainable travel choice for passengers. Implementing the actions set out in this communication will require a common effort of the rail industry, passenger and consumer organisations, the Member States and the Commission. The Commission envisages putting forward the first of these new actions already in 2022, and will promote close cooperation and coordination between relevant actors and actively monitor progress, so that rail will be able to play its key role in the transition towards a climate neutral continent.