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REPORT

From:	General Secretariat of the Council
To:	Council
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Subject:	Council conclusions on "Putting Rail at the Forefront of Smart and Sustainable Mobility" – Approval

I. INTRODUCTION

1. Linked to the European Year of Rail (2021), the Presidency organised an informal meeting of transport ministers, through videoconference, on 30 March 2021, dedicated entirely to rail. The aim of that meeting was to take stock of the various political and operational initiatives underway to improve rail transport services and achieve a real modal shift, and to reassess the role of this transport mode in view of its resilience during the pandemic and in view of the urgent need of de-carbonisation.
2. Based on the discussion during that meeting and on previous initiatives launched jointly by transport ministers, the Presidency suggested to prepare Council conclusions on rail which should encompass the many aspects currently under discussion.

II. WORK AT THE COUNCIL PREPARATORY BODY

3. The Presidency presented draft Council conclusions on rail to the Working Party for Land Transport on 28 April 2021. They were structured according to the topics 'modal shift', 'resilience', 'passenger transport', 'freight transport', and 'networks'. Delegations expressed support for the initiative and made suggestions for changes or additions in all chapters, also in writing. The draft conclusions were further refined in informal meetings on 4, 11 and 17 May 2021.
4. The Permanent Representatives Committee reviewed the draft conclusions on 19 May 2021. It confirmed agreement with them and referred them for approval to the TTE Council (Transport) on 3 June 2021. Some delegations noted the difficulty of finding a common statement for the section dealing with national approaches in organising rail passenger services.

III. CONCLUSION

5. The Council is invited to approve the conclusions with the title "Putting Rail at the Forefront of Smart and Sustainable Mobility", as set out in the annex.

Putting Rail at the Forefront of Smart and Sustainable Mobility

-Draft Council conclusions-

HAVING REGARD TO:

1. the European Council conclusions of 12 December 2019 which endorsed the objective of achieving a climate-neutral European Union by 2050¹ and the Commission's Communication of 11 December 2019 on a European Green Deal² ;
2. the EU transport ministers' continued commitment to rail³, as expressed last year in
 - a) the political statement supporting a European agenda for international passenger rail transport presented at the informal video conference of EU transport ministers on 4 June 2020, and
 - b) the ministerial declaration on innovative transport in rail freight corridors of the Berlin conference on 21 September 2020;
3. the Commission communication of 9 December 2020 on a 'Sustainable and Smart Mobility Strategy – putting European transport on track for the future'⁴ with its intention to double rail freight and to triple high-speed rail passenger transport by 2050;
4. Decision (EU) 2020/2228 of the European Parliament and of the Council of 23 December 2020 on a European Year of Rail (2021)⁵;

¹ EUCO 29/19.

² COM(2019)640 final, ST 15051/19 + ADD 1.

³ The transport ministers of Norway and Switzerland regularly participate.

⁴ COM(2020) 789 final, ST 14012/20 + ADD1.

⁵ OJ L 437, 28.12.2020, p. 108.

5. Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility⁶, and the forthcoming adoption of a second Regulation establishing the Connecting Europe Facility;
6. the EU transport ministers' informal video conference of 30 March 2021, where ministers took a stance on the Portuguese Presidency's non-paper 'How to Accelerate Modal Shift to Rail: different paths to a common goal';

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7. NOTES that the EU's railway systems have undergone fundamental regulatory reforms through four legislative packages adopted in 2001⁷, 2004, 2007 and 2016. WELCOMES the positive effects of these reforms in market opening and technical harmonisation that have been partially achieved and are partially awaited;
8. ACKNOWLEDGES that the regulatory framework at EU and national level is highly complex and diverse, and UNDERLINES that further efforts need to be undertaken to ensure the economic and operational benefits of technical harmonisation, in particular for cross-border rail services, while acknowledging the different starting points in the Member States and their varying organisational structures. EMPHASISES the importance of fully implementing the existing Union legislation, UNDERLINES that future Union legislative proposals should be based on careful analysis of the current state of play and should also aim at simplification wherever possible;
9. RECOGNISES that some Member States do not provide connectivity through railways, and therefore smart and sustainable mobility can only be achieved through other modes of transport; RECOGNISES also that in other Member States networks are isolated and efforts to increase interoperability do not, therefore, improve performance;

⁶ OJ L 57, 18.2.2021, p. 17.

⁷ The first railway package was recast in 2012 by Directive 2012/34/EU of the European Parliament and of the Council of 21 November 2012 establishing a single European railway area, OJ L 343 14.12.2012, p. 32.

10. STRESSES that further technical harmonisation with a view to the increased interoperability of national networks will support the single market for international rail services, the Union rail systems and efficiency; STRESSES, furthermore, the contribution of rail to the Union's economy and its industrial base, including its global competitiveness, which will benefit likewise from research, innovation and technical harmonisation. LOOKS FORWARD, therefore, to the new Europe's Rail Joint Undertaking which should play a vital role in research on the new digital technologies in rail, thereby delivering a coordinated approach with the sector to the overall evolution of the railway systems. This should also lead to a more rapid development of the technical regulatory framework, taking into account the time that was necessary to deploy previous standards;
11. CONSIDERS that the need both to strive for climate-neutral, environmentally friendly⁸ mobility and to ensure a resilient and interconnected transport system, notably in times of crisis, as shown during the COVID-19 pandemic, places railways in a key position within the future transport offer;
12. UNDERLINES the importance of a continuous dialogue between public authorities, relevant stakeholders, employers, workers and rail transport users in order to ensure that everyone enjoys the benefits of rail transport; NOTES in this context the European Economic and Social Committee's exploratory opinion of 24 March 2021 on 'The Single European Railway Area' requested by the Portuguese Presidency⁹;
13. LOOKS FORWARD to the planned revision of the Union legislation on the rail freight corridors¹⁰ and on the Trans-European Transport Network (TEN-T)¹¹;

⁸ Railway provides for a low carbon footprint, low emissions, low land use and a long lifecycle of its rolling stock, while it reduces congestion and increases air quality in urban areas.

⁹ EESC TEN/727, ST 7614/21.

¹⁰ Regulation (EU) No 913/2010 of the European Parliament and of the Council of 22 September 2010 concerning a European rail network for competitive freight OJ L 276, 20.10.2010, p. 22.

¹¹ 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, OJ L 348, 20.12.2013, p. 1.

I. Modal shift

14. STRESSES that rail transport is responsible for just 0,4% of transport-caused CO₂ emissions, despite having a share of 8% of passenger transport and 19% of freight transport across Europe.¹² For that reason, a modal shift from carbon-intensive modes to rail is likely the most effective way to decarbonise transport in large parts of the Union's territory;
15. NOTES that the considerable efforts towards market opening and technical harmonisation undertaken to date have stabilised the share of railway transport services in a fast-growing market in which customer expectations have also grown, but that a marked shift to rail has not yet been achieved, despite the progress made in individual market segments;
16. ACKNOWLEDGES that making progress towards a modal shift will require the attractiveness and competitiveness of rail to be strengthened through the improvement of rail services adjusted to customer demands and the effective optimisation of multi-modal solutions between rail and other transport modes; progress should also be facilitated by effective cooperation among relevant Member States and among infrastructure managers. Overall, a true modal shift will require growth in rail traffic volumes that outpaces economic growth;
17. CONSIDERS IT IMPORTANT for regular policy evaluations which measure the degree of effective market opening and technical harmonisation to be supplemented by analysis of policy impacts on the modal shift, economic and social cohesion, environmental performance, system efficiency, infrastructure charges, service levels and working conditions;
18. WELCOMES, in this context, the initiatives underway to produce a forward-looking and more operational analysis of the modal shift by assessing the progress possible under given conditions and assuming specific improvements in infrastructure quality and connectivity, taking into account all forms of domestic and international traffic, as well as the Commission's commitment to develop a 'rail connectivity index'; ENCOURAGES the evaluation of the medium-long distance connections between major cities;

¹² See European Commission, Statistical pocketbook 2020, tables 3.2.12, 2.3.3 and 2.2.3 (excluding transport by pipeline).

II. Resilience

19. NOTES that transport has been one of the sectors hit hardest by the COVID-19 pandemic, with economic damage caused by steep reductions in travel and tourism, supply chain disruptions, income loss to railway operators, and reduced connectivity across the EU. This has caused significant economic loss for railway undertakings and infrastructure managers, and had its most severe impact on rail passenger transport, where it may have delayed or blocked projects for new investment and services. At the same time, rail has proven to be the most resilient mode of transport, especially in the form of unaccompanied combined transport;
20. NOTES that focused action by the transport ministers in cooperation with the European Union and all relevant stakeholders helped the rail sector to cope with the adverse economic effects caused by the crisis, which has brought some stakeholders to the very brink of collapse, thereby ensuring the survival of this essential service and public good;
21. CONSIDERS that this crisis has exposed the need to strengthen resilience and contingency measures and to improve availability, coherence and coordination in the rail network and give higher priority to the improvement of cross-border links as part of a trans-European rail network that would constitute the backbone of resilient and sustainable mobility routes; INVITES the Commission to outline the progress made in preparing a Contingency Plan for transport to better address the pandemic and other major crises;

III. European rail passenger transport

22. EMPHASISES that while the share of international rail passenger transport within the overall EU rail passenger market is low¹³, there are encouraging signs from both the supply and the demand side which suggest that a considerable increase is possible over the next decade. The projects underway, for instance those aiming to revive European night trains, show enthusiasm and variety;
23. NOTICES wide variations in how international railway passenger services, infrastructure and networks are developed in different parts of Europe, as a result *inter alia* of customer demand, political choices, geography, population density, and economic integration between cross-border regions;
24. WELCOMES the creation of, and the practical steps taken by the Platform for International Railway Passenger Transport (IRP), which involves wide range of stakeholders, and NOTES the evolution of the Trans Europe Express 2.0 (TEE 2.0) concept; WELCOMES the Commission's intention to present, in the course of this year, an action plan to boost long-distance and cross-border passenger rail services, UNDERLINES the need for cooperation between Member States and the European Union to remove market barriers and INVITES the Commission to present a progress report by next year reflecting on the deliverables of its action plan;
25. ENCOURAGES further development of European rail passenger transport. In the short and medium terms this should be achieved by complementing existing services and focusing on passenger experience, fair competition, comprehensive route planning and ticketing offered by railway undertakings and third party ticket vendors, direct links with regional, local and urban transport, and capacity allocation procedures, without prejudice to the competences of Member States and infrastructure managers in this regard, and the removal of technical and operational barriers, particularly in cross-border sections and terminals;

¹³ 7% of overall passenger-km; European Commission, Statistical pocketbook 2020, table 3.2.12.

26. ACKNOWLEDGES that further development of this segment requires the removal of the remaining infrastructure bottlenecks in the Union rail system, the realisation of the TEN-T core and comprehensive network, development of a high-speed network, the purchase of interoperable rolling stock and full implementation of the European Rail Traffic Management System (ERTMS) as detailed in the national implementation plans, thereby minimising traffic interruptions;
27. ACKNOWLEDGES the diversity of national approaches in organising rail passenger services and EMPHASISES that open access services in response to market demand are instrumental in extending the modal shift to rail, which must be combined with a broad culture of innovation and a dynamic rail economy. RECOGNISES that in certain cases, Member States may consider the use, on their territory, of public service contracts for international rail passenger services, in addition to domestic ones, to generate the desirable transport offer. In this context, LOOKS FORWARD to the Commission's revision of the interpretative guidelines concerning Regulation (EC) No 1370/2007¹⁴;

IV. European rail freight transport

28. EXPECTS that progressing towards completion of the Trans-European Transport Network (TEN-T) core network within the established timeframe, the widespread deployment of the European Rail Traffic Management System (ERTMS), both trackside and on-board, accompanied by the gradual decommissioning of legacy signalling systems, and the further harmonisation of technical and operational requirements will lead to more efficient, less costly and better integrated rail transport, thus enabling the continued growth of rail freight;

¹⁴ Interpretative guidelines concerning Regulation (EC) No 1370/2007 on public passenger transport services by rail and by road, OJ C 92, 29.3.2014, p. 1.

29. EXPECTS rail freight to be further boosted by the coordinated deployment of new innovations, especially in the field of digitalisation and automation, as long as their deployment contributes, from a cost-benefit perspective, to increasing the rail sector's competitiveness; NOTES that the digital exchange of information, including tracking systems, will represent a major step towards integrating rail freight into the supply chain, making rail freight a more reliable choice for shippers;
30. As regards the European Green Deal, in which the European Commission lists rail freight as a top priority, EXPECTS that this initiative will build on all the experience gained and the best practice already developed through the rail freight corridors, while also fostering innovation in new technologies, digitalisation and operational concepts in order to achieve a more integrated operating network for competitive rail freight;
31. NOTES that the Union rail network for competitive freight, formed by the rail freight corridors, has proven to be very effective in developing concerted actions and common measures among stakeholders in charge of operations, whilst facilitating, amongst other things, the enhancement of rail freight's resilience in the event of major crises and the implementation of necessary contingency measures;
32. RECOGNISING the work already accomplished by the rail freight corridors, WELCOMES the Member States' commitment to continue their cooperation with the European Commission and the coordinators of the TEN-T core network corridors, UNDERLINES the importance of developing further infrastructure capacity and the routes of the rail freight corridors in accordance with market requirements and customer needs, and ENCOURAGES strengthening the functioning of the rail freight corridors in a coordinated way;

V. Networks, investment and connectivity

33. NOTES the fact that the TEN-T network has been extremely important for developing a coherent high-capacity interoperable rail network across the Union, and also for connecting it to ports, airports and road and inland waterway terminals. Although it has not been able to singlehandedly overcome the large asymmetries in rail network coverage and density, through the Connecting Europe Facility and other EU financing instruments, the TEN-T network has allowed many Member States with smaller investment capacities to steadily, albeit slowly, upgrade and to improve the connectivity of their networks;
34. UNDERLINES the importance of a coherent TEN-T policy with projects that foster the development of high-speed and international services for rail passenger transport between the main urban hubs and facilitate a more competitive rail freight transport; STRESSES that this is one of the prerequisites for achieving the objectives of the Strategy on Sustainable and Smart Mobility; ENCOURAGES initiatives that aim to offer rail connections which can replace short-distance flights, when possible;
35. BEARING IN MIND the political aim of a climate-neutral economy, ACKNOWLEDGES that national budgets in many Member States remain under strain from the previous economic crisis and the current pandemic, and that public investment in transport in those Member States has remained barely at the level required to ensure maintenance;
36. STRESSES that the rail sector will need to make the best possible use of EU financing instruments. Railway transport infrastructure has been identified as the segment most in need of investment to finalise the TEN-T network and modernise the existing network. WELCOMES, accordingly, the fact that Member States plan to use resources being made available by the Recovery and Resilience Facility and the Multiannual Financial Framework 2021-27 to enhance the competitiveness of the rail sector and support related investment in rail infrastructure;

37. UNDERLINES that systemic integration with other transport modes, including maritime, inland waterways, air and road transport, urban transport offers and active mobility, is essential to keep territories connected and achieve the modal shift. As a result, an increase in intermodal transfer opportunities, enlargement of the capacity of existing transfer and transshipment facilities, and better intermodal traffic management are necessary;
38. RECOGNISES that major investment by the sector in international long-distance rolling stock is required. Financing could be supported through guarantees at Union level, so as to make use of innovations, upgrade to new technical specifications, increase flexibility, safety and comfort, and diversify the service offer; RECOGNISES also that investment is urgently needed from the private sector and REMINDS Member States of the existence of international agreements and treaties which facilitate private investment, such as the Luxembourg Rail Protocol to the Cape Town Convention¹⁵;
39. CALLS on the Commission to study eventual European-level schemes to support rail operators in a non-discriminatory manner, and present the findings to the Council; TAKES NOTE, having regard to the specificities of the rail sector, of the Commission's intention to review the rules for granting state aid.

¹⁵ Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Railway Rolling Stock, OJ L 331, 16.12.2009, p. 4.