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From: General Secretariat of the Council
To: Delegations

Subject: AOB for the meeting of the Transport, Telecommunications and Energy Council on 8 June 2026
Competitiveness of the European Rail Freight Transport
- Information from Austria, Belgium, Czechia, Hungary, Portugal and Slovakia

The long-term strategy of the European Union is to shift the transport of goods from road to rail and inland waterways. This objective was first set out in the Commission's 2011 White Paper on Transport and was later reaffirmed in the European Green Deal, which calls for a substantial share of the 75% of inland freight currently carried by road to be shifted to more environmentally friendly modes of transport. This ambition was further confirmed in the Commission's 2021 Smart and Sustainable Mobility Strategy, which aims to create sustainable and efficient multimodal freight services and to double rail freight transport by 2050. Achieving this objective will also depend on the sector's most valuable asset — the railway workers whose dedication and commitment keep the system running.

In recent years, several legislative initiatives have been adopted at the EU level to address this issue and further promote rail freight transport. However, these measures have not halted the worrying and evident downward trend in the modal share of rail. Rail's share of total inland freight transport in the EU has been gradually declining to approximately 16.6% in 2024 according to the Eurostat data. There are several reasons for this decline, among others rail freight's dependence on bulk and heavy industry, high energy prices, ongoing infrastructure modernisation works, capacity constraints, and uneven competitive conditions compared to road freight transport.

Transport policy is increasingly shaped by other policy areas, particularly climate and energy policy. Although their overarching objective is to contribute to the decarbonisation of the EU economy, they may also produce unintended consequences. Railway transport policy is a clear example. Despite being the most decarbonised mode of transport, the rail sector bears a disproportionate share of the burden. The current crisis triggered by the Strait of Hormuz blockade highlights the strategic role of rail, which can maintain freight flows with significantly lower exposure to volatile oil markets.

The aim of this non-paper is to highlight the current worrying situation and the declining trend in the share of rail freight transport in the EU, and to outline key steps needed to be taken both at the level of Member States and at the level of European Union to ensure the competitiveness of rail freight transport and to achieve the objectives set at the European Union level. The focus should be both on the implementation of recently adopted legislation and on additional actions that go beyond the current framework.

Boosting the infrastructure for rail freight

The TEN-T Regulation sets clear requirements for the development of the TEN-T Rail Freight Core and Extended Core Networks. As Member States face challenges related to insufficient capacity on the main transport corridors, it is essential to draw attention to the development of sections that are freight-oriented. These should enable freight flows to be directed efficiently towards multimodal terminals and transshipment points by bypassing congested urban lines and nodes.

The European Commission should place greater emphasis on the development of the TEN-T Rail Freight Network and TEN-T multimodal terminals in the forthcoming Multiannual Financial Framework (2028–2034), as well as provide dedicated support for these projects under the CEF III Work Programme.

The modernisation of major rail corridors is currently underway in many Member States, which inevitably affects the reliability and punctuality of freight services. Therefore, strong cooperation among infrastructure managers in planning infrastructure works and coordinating diversion routes is essential to mitigate the impact on rail freight operations.

Capacity management and cross-border action

The allocation of quality train paths for rail freight trains has been a critical issue for many years as the cross-border coordination has been lacking. The Regulation on Rail Freight Corridors has proven insufficient in effectively prioritising international freight services along the corridors.

The TEN-T Regulation sets basic standards for infrastructure and path allocation for freight trains (e.g. minimum capacity for 740m trains, dwelling times) on the TEN-T network. The newly adopted Regulation on Rail Capacity Management establishes rules and mechanisms for train path allocation, introducing a new framework for international train services to be developed by Member States through cooperation among infrastructure managers and their networks. The effective implementation of these Regulations will be essential for international rail freight transport, and work on building a robust system should begin without delay to meet deadlines specified in those regulations. In the meantime, close cooperation among Member States to ensure the operational priority of freight trains is crucial to increasing rail freight volumes.

Financial boost for rail freight transport

Rail freight and multimodal transport can be further supported through targeted financial measures, particularly given that modal shift is fully aligned with the European Union's objectives on sustainable mobility, transport decarbonisation, and the reduction of emissions from the sector. The goal should be to find solutions that allow railways to benefit from decarbonization, rather than having to bear the burden of increased electricity costs. Member States should consider utilizing the full potential of the new European rules on the implementation of the Transport Block Exemption Regulation (TBER).

Supporting intermodal & multimodal transport solutions

To boost rail freight operations in the EU, intermodal transport solutions need to be further developed and strengthened. Road and rail should not be seen as direct competitors; rather, the right conditions should be created to enable them to complement each other. This would help reduce emissions from long-distance haulage while ensuring that last-mile delivery remains efficient and reliable. The implementation of the CountEmissionsEU Regulation should provide greater transparency and create incentives for the use of more environmentally friendly transport modes and multimodal solutions throughout logistics operations and the delivery of goods.

The current legislative framework for combined transport is outdated and no longer achieves the objectives of improving intermodality and increasing the share of rail freight in the EU. Fragmented national rules, together with the Commission's strict approach in its attempts to revise the 1992 Directive, have resulted in a clear lack of progress towards establishing a well-functioning and efficient European system capable of boosting multimodal freight transport.

Unfortunately, revisions of the directive have not led to successful outcomes as they do not tackle the crucial points and add administrative burden instead. Nevertheless, a withdrawal of the proposal by the Commission (contrary to the position of the European Parliament), following the failure of the 2018 revision, would leave the sector in a state of uncertainty for several more years. In the meantime, we should keep working on the incentives to motivate operators to use rail freight services on the intermodal journey and attract companies to use combine transport instead of road only operations. To create favourable conditions, Member States should support the development of transshipment terminals / points and marshalling yards.

Single wagonload traffic can play an important role in supporting a higher rail freight modal share. It also helps rail freight reach a wider range of industries and regions beyond pure block train flows. Strengthening the conditions for single wagonload traffic contributes to the EU's modal shift objectives and supports a more balanced and resilient transport system.

EU Interoperability and digitalisation key to unlock the potential

There are still significant obstacles to achieving full interoperability of the European rail system. Despite continued progress at EU level in developing harmonised technical specifications, practical implementation remains uneven and frequently burdened by national specificities. This results in additional certification procedures, multi-system equipment requirements, driver training complexities and operational constraints for railway undertakings operating cross-border freight services.

The deployment of ERTMS illustrates this challenge particularly clearly. While conceived as a single European signalling system, its roll-out is often affected by different baseline versions, national values and parallel operation of legacy systems. Instead of removing barriers, this can generate additional technical and financial burdens. In this context, we also underline the need for greater harmonisation, compatibility and stability of the CCS TSI, which applies, in particular, to the ETCS system and the newly prepared FRMCS system. Stronger EU leadership towards harmonization is therefore vital. Sound implementation of the ERTMS Work Plan should be a priority, given its relevance for the implementation timeline and the coordinated roll-out of interoperable systems across the network.

Together with the persistence of fragmented national safety and operational rules, these factors significantly reduce the efficiency and competitiveness of cross-border rail freight compared to road transport.

The Electronic Freight Transport Information Regulation (eFTI) represents an important horizontal enabler for the digitalisation of freight transport and the development of multimodal logistics chains across the Union.

However, while its added value is acknowledged, eFTI should not be seen as a stand-alone tool for creating a level playing field, particularly in favour of rail freight. In this regard, other initiatives can reinforce the competitiveness of rail freight such as TSI Telematics, which underpin key rail digital initiatives, including railway capacity management.

By complementing existing sector-specific solutions and reducing administrative and information barriers, eFTI can, in the medium term, improve efficiency and predictability in freight transport and indirectly support multimodal and rail-based logistics solutions.