



19th Florence Rail Forum

# European Green Deal: What implications for State Aid in the Rail Sector?

**Maurizio CASTELLETTI**

**European Commission, DG MOVE**

**Head of Unit "Single European Rail Area" (MOVE C3)**

**22/23 October 2020**



@Transport\_EU

Mobility and  
Transport

**CONNECTING  
EUROPE**

## SUMMARY

- ❑ European Green Deal
- ❑ Rail Regulatory Framework
- ❑ Rail Market Monitoring
- ❑ Need for State Aid?



# EUROPEAN GREEN DEAL

## ACCELERATING THE SHIFT TO SUSTAINABLE AND SMART MOBILITY

- 90% reduction in transport emissions by 2050
- Substantial modal shift from road to rail
- Automated and connected multimodal mobility
- Smart traffic management systems enabled by digitalisation
- Price of transport reflective of the impact it has on the environment and health



# RAIL REGULATORY FRAMEWORK

## Latest developments

- Opening of the market for domestic rail passenger services (from 1/1/2019 in time for the timetable starting 14/12/2020) – Directive (EU) 2016/2370
- Competitive tendering procedure for the award of public service contracts (from 3/12/2019 transition until 24/12/2023) – Regulation (EU) 2016/2338
- EU Agency for Railways responsible for single safety certificate, authorisations for the placing on the market of vehicles and CCS (from 16/6/2019 and transition until 16/6/2020) - Regulation (EU) 2016/796



# RAIL REGULATORY FRAMEWORK

## Possible future initiatives

### Greening cargo:

- Revise RFC regulation to align it to TEN-T
- Measures to better manage and coordinate international rail traffic
- Revise the Combined Transport Directive
- Support to the development of efficient multimodal transport nodes and new concepts for logistics

### Innovative and connected mobility:

- Action plan for cross-border rail transport
- Ticketing services
- Digital train (ERTMS, Automatic Train Operation, Traffic Management, Advanced Signalling)

# RAIL MARKET MONITORING (2018 / EU27)

- Network of more than 200000 line km, 56% electrified
- 430 billion ton-km (freight), 400 billion passenger-km
- International dimension of rail traffic: 52% freight, 7% passenger
- Rail traffic levels back to the pre-economic crisis level (2008)
- Modal share (land): 8% passenger, 18% freight



# RAIL MARKET MONITORING (2018 / EU27)

Public funds to finance rail infrastructure:

- Infrastructure expenditure: €87 per inhabitant
- About 80% of the expenditure in rail infrastructure

Public funds to finance Public Service Obligations (PSO) :

- PSO compensation: €51 per inhabitant
- PSO services on average 60% of total pass-km
- 30% of the pass-km in four Member States (AT, DE, IT, SE)
- Average PSO compensation: €10.5 per train-km



@Transport\_EU

Mobility and  
Transport

CONNECTING  
EUROPE



# NEED FOR STATE AID?

## Policy objectives

### On-going objectives:

- Completion of Single European Railway Area (SERA)
- Increase of competitive services
- Interoperability

### New/strengthened objectives:

- Sustainability (EGD)
- Multimodality
- Smart mobility (digital/connected/automated)
- Resilient transport system





# NEED FOR STATE AID?

## Possible areas of intervention

### Operating aid:

- External costs and infrastructure charge differentials
- PSO for freight including in terminals (Single Wagon Load)
- Start-ups

### Investment aid:

- Technical upgrades/retrofitting (ERTMS, noise, Digital Automatic Coupling, ...)
- Rolling stock (scrapping and purchasing schemes)
- Equipment in terminals (transshipment, density, ICT, ...)





**THANK YOU FOR YOUR ATTENTION**