



24th Florence Rail Forum:

Investment aid for mobile equipment

How do we support access to mobile equipment, the modernisation and greening of such equipment, and interoperability while ensuring a level playing field?

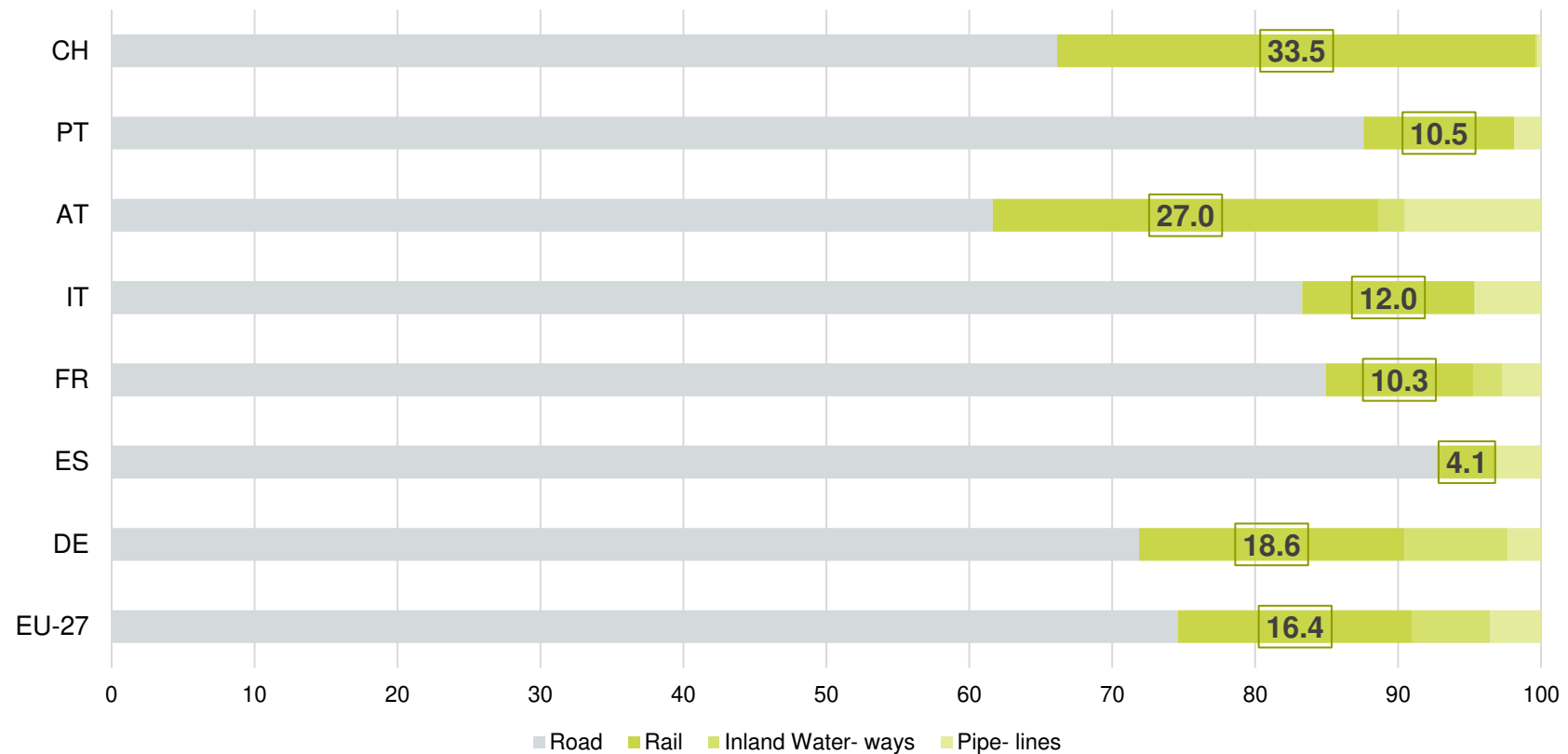
Florence, 26th April 2024



WHAT IS THE CURRENT SITUATION?

MODAL SPLIT OF FREIGHT TRANSPORT ON LAND BY COUNTRY

2021 - TONNE-KM IN %



DOES RAIL NEED AIDS FOR MOBILE EQUIPMENTS?

ABSOLUTELY!!

BUT...

- State aids must be transparent and non discriminatory
- Careful to not create discrimination among operators
- Any uncertainties must be avoided: time, duration, approval
- Quicker procedures
- Real understanding of the market needs
- Long term aids with a:

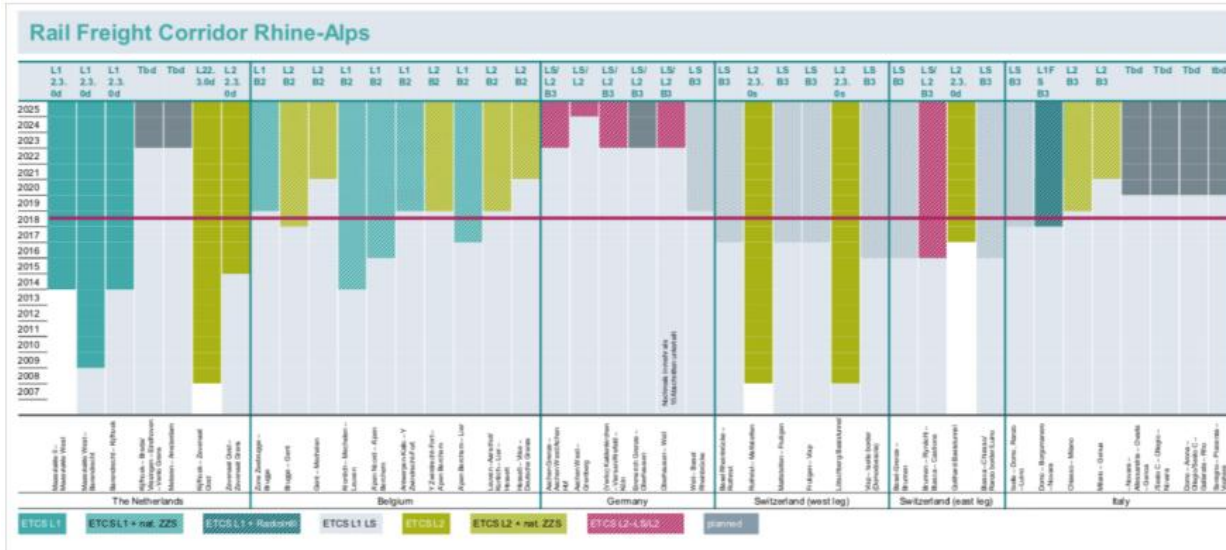
CLEAR STRATEGY AND STABLE VISION FOR THE FUTURE

HOW?

- State Aids for rolling stock are a MUST if new compulsory standards are requested, especially projects which:
 - give an added value to **environmental goals**
 - lead to a necessary change in the technological development of rolling stock to achieve **market harmonisation and interoperability**
- Aid intensity in this case should cover the full cost of the investment
- **What is the benefit for freight RUs clients to bear the costs of ERTMS or DAC?**
- We need to be able to run freight trains on the network and if the EU Institutions develop a new system, they should be also the ones that bear the full costs
- In these cases, it must also be assured that the financial aid is given to the whole sector in a non-discriminatory manner.
- Same rules for purchasing of rolling stock apply evenly to railway undertakings and leasing companies.

DO WE REALLY KNOW WHERE WE ARE GOING?

La «banalità» del corridoio Reno-Alpi



Le domande di chi **possiede** locomotive:

- Quale ETCS compro?
- Quali vantaggi porta in termini operativi?
- Quanto costa?
- Quando lo installo?
- Quanto sarà stabile la sua «release»?

Is the rail freight market ready to pay the extra costs without any increase of performance?

Fonte: presentazione Siemens Customer Day 2018

giovedì 15 novembre 2018



- What do we do with existing 5/10 years locos? Do we retrofit them all? At what costs? Millions of EUR and temporary stop of the locos.
- Please bear in mind that:
 - Once decided the long term strategy, to be foreseen a realistic migration plan.
 - RUs are not able to bear any additional costs which would reduce the competitiveness, whose clients won't see any additional advantages and guarantees in terms of safety.

OUR MAIN COMPETITOR IS ROAD

Why do we always need to burden rail?



CONCRETE EXAMPLE (1) DEPLOYMENT OF ERTMS:

- The Italian Implementation Decree has been published on 30th October 2023.
- The overall allocated budget amounts to EUR 300 million for financing retrofitting and/or upgrade interventions on rolling stock vehicles with a max of 60k per loco.
- To be eligible for the aid, these retrofitting and/or upgrade interventions had to be implemented after the date of entry into force of Law No. 156 (i.e., as of 10 November 2021) to the latest available version of the ERTMS, i.e., the ERTMS Baseline 3 (BL3) R2.
- Unfortunately, from this decree have been able to benefit just rail passenger undertakings, the rail freight sector won't be able to upgrade the locos to Baseline 3.6 until 2026/2027.
- EUR 300 million are also not enough if we consider the No. of locos to be upgraded and the overall costs for each loco and ESC type without considering that the locos must be stopped for a while.
- It will take years to homologate all rail freight locomotives so technically sustainable transition period must be defined
- Installing Class A systems on the ground superimposed on Class B and allowing rolling stock to run with Class B system in the face of a equipping plan
- Full financial relief, for the freight sector, ETCS is solely a cost facto

CONCRETE EXAMPLE (2) **DECRETO LOCO E CARRI:**

- The decree allocates resources for the renewal of rail freight rolling stock running in Italy
- The total amount is 55 million euro for the purchase of new wagons and EUR 60 million for new locomotives for the period 2021 (July) to the end of 2025.
- Approval of the EU Commission on 17th July 2023.
- Still waiting the Implementing Decree which should be published by April 2024.
- How could a company plan a concrete strategy?

We can have an amazing infrastructure equipped with the greatest technology, but if we don't have the locos or if it becomes too costly and unbearable for rail undertakings:

We lose competitiveness

CLEAR STRATEGY

&

LISTEN TO THE MARKET



INSPIRING RAIL SOLUTIONS

GREEN. INNOVATIVE. AHEAD.

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