



# Revision of the Railway State Aid Guidelines

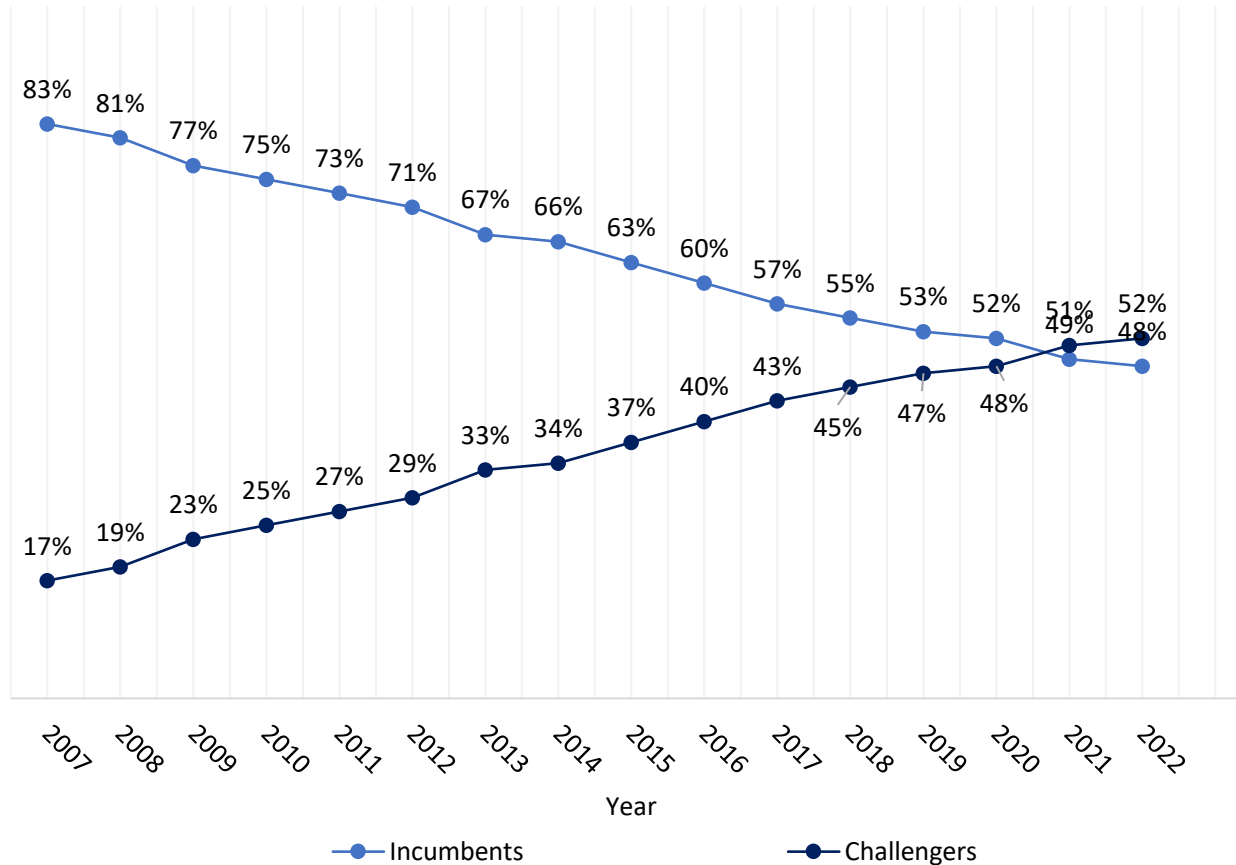
Florence School of  
Regulation

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1. Current Market Structure
2. Appropriate Aid and Thresholds
3. Criteria for Allocation of Aid





- High Level of Competition between National Incumbents and Challengers in European Rail Freight Market
- Trend over past 15 years has been towards more diversification in the market
- Rail freight market fundamentally different to when current Guidelines created (2008)

# Current Market Structure – Market Complexity



Country	National Incumbent	Challengers		
		Foreign Operations of Incumbents	International New Entrants	National New Entrants
	n.a.			
	n.a.			
	n.a.			

## Appropriate Aid

- Given market structure, State Aid risks undermining functioning of competitive rail freight market. Misuse of State Aid in favour of individual market players damages development of entire rail freight market.
- For State aid to therefore be appropriate, it must be transparent, non-discriminatory and open to all market players.
- Not all aid is State Aid. Important not to confuse.

## Example of Appropriate Aid – Track Access Charges

- Article 32 of SERA Directive allows for *“compensation scheme for the use of railway infrastructure for the demonstrably unpaid environmental, accident and infrastructure costs of competing transport modes in so far as these costs exceed the equivalent costs of rail”*.
- Track Access Charge reductions, or support measures to compensate for infrastructure costs benefits all rail freight undertakings equally.
- Should be clear that Track Access Charge reductions do not constitute State Aid.

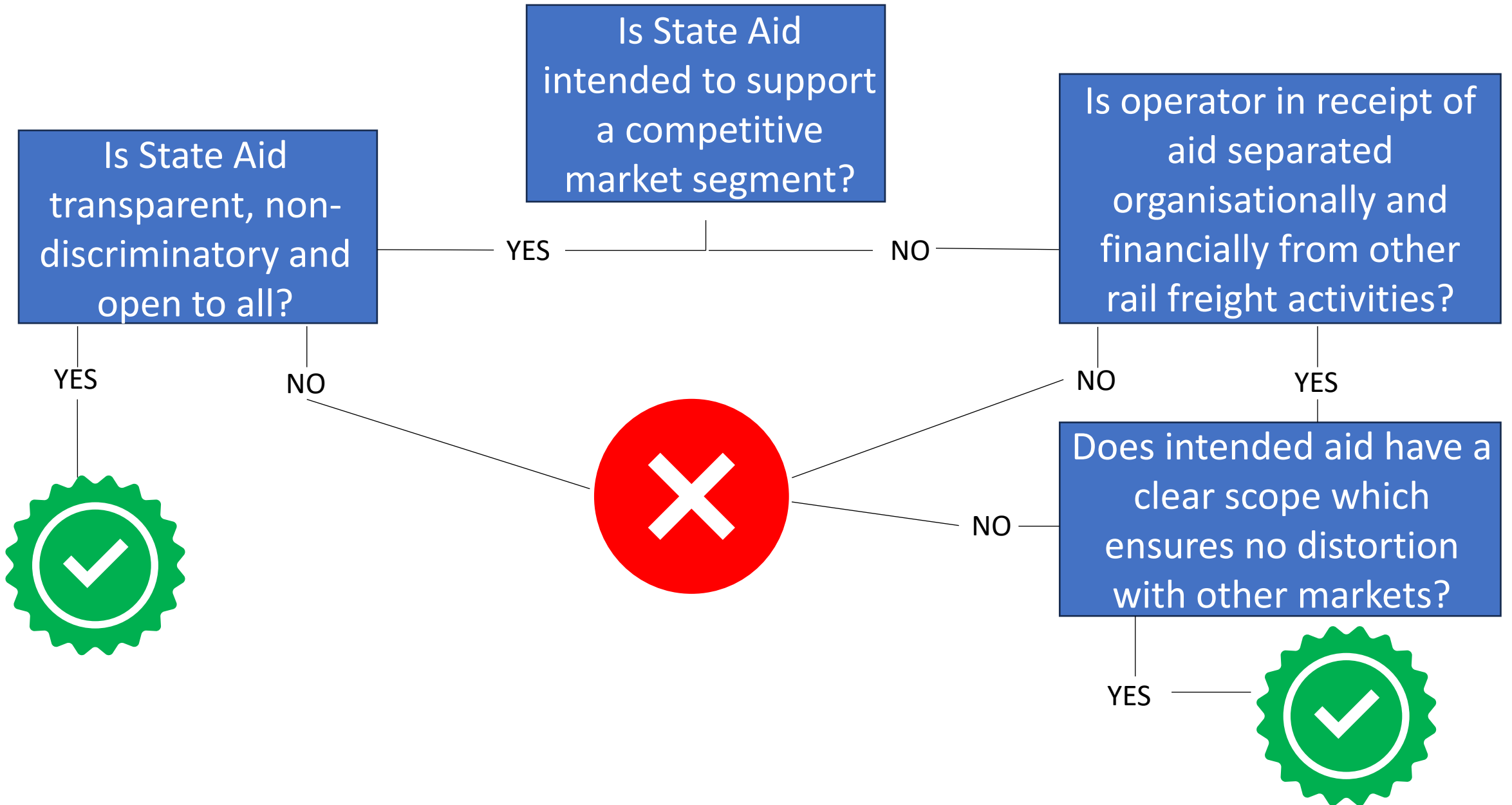
## **Operational State Aid – Combined Transport**

- Aid for moving goods for road to rail, or combined transported, are already recognised as being in line with EU State Aid rules and should be continued.
- Thresholds for Operational Aid should be increased in order to allow Member States greater flexibility.
- Large amount of market players active. High transparency where aid granted to multimodal transport operators. Where granted to RU, should be transparent, non-discriminatory and open to all.

## **Operational State Aid – Single Wagon Traffic**

- Single Wagon Traffic (SWT) Aid can have an added value in growing SWT and providing auxiliary services to Block Train Traffic.
- Aid for SWT should be targeted or it runs the risk of cannibalising other traffics.
- Given that SWT is usually operated exclusively by national incumbent operators, measures are required to ensure that aid in a non-competitive market (SWT) do not create market distortion in competitive market (blocktrain)

# Criteria for Allocation of Aid





**Thank you  
for your  
attention!**

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