

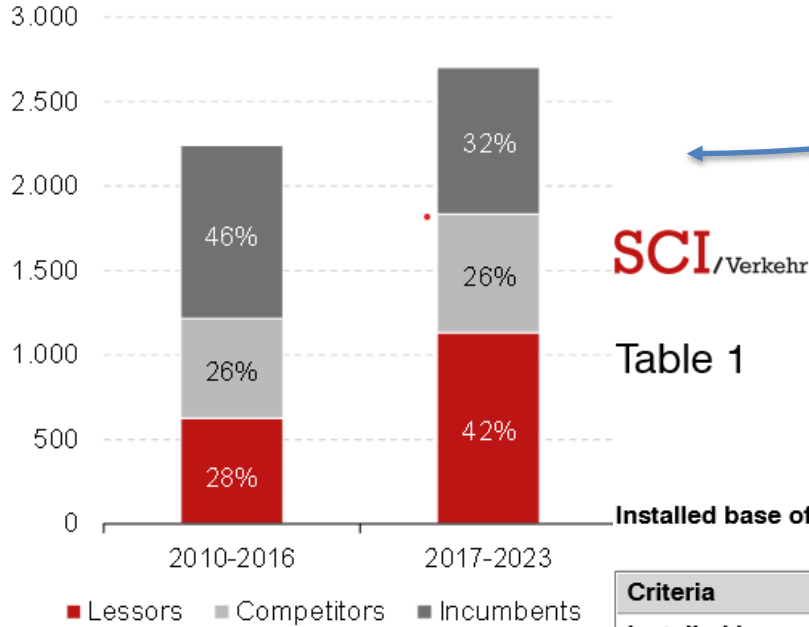


24th Florence Rail Forum: Revision of the railway state aid guidelines

Key facts and figures related to rail rolling stock

- what do the lessors represent as keepers ?
- the example of ETCS
- position on state aid

Owner classification of new locomotive deliveries in the EU + CH/NO (5,000 units)



Key figures about new loco deliveries

Market growth of the freight market per year is lower than the market growth of the rolling stock materials

SCI/Verkehr

Table 1

Installed base of locomotives in the EU + CH/NO as of 2023 (28,150 units)

Lessors fleet is performing above average

Criteria	Item	Railway companies ¹	Lessors
Installed base	Units	24,500	3,650
Electric traction	% of total sub-fleet	47%	61%
Diesel traction	% of total sub-fleet	51%	35%
Alternative drive	% of total sub-fleet	2%	4%
Average age	Years	38	18
ETCS-equipped locomotives	% of mainline sub-fleet	15%	48%
Cross-border locomotives	% of mainline sub-fleet	20%	65%
Electric freight cross-border locomotives	% of mainline sub-fleet	24%	63%

1: Incl. Manufacturer leasing pools

Cost of ETCS would be ... (draft IRG-Rail report)

- For installing ETCS on locomotives not equipped with ETCS.
= between **800 k € and 1 million €** per locomotive.
- For upgrading the locomotive to the latest ETCS version.
= depends on the level and baseline already installed on the locomotives.
= from BL 3.4 to 3.6, between **200 and 300 k €**.
- European Union subsidies
= between **10 and 15% of costs**

AERRL position paper

- **Situation currently critical for equipment that is 15 years old** and has another 15+ years of life ahead of it.
- This is not only due to the need for installation of one or several class B systems on cross-border rolling stock. This is also due to **too frequent compulsory technological changes at EU level (2 in 15 years' time)**.
- Rolling stock owners must invest in different class B systems and upgrade the EU safety system after a few years implementation, which increases the risk of obsolescence for modern 15 years old locomotives, not to mention older equipment.
= **risk of accelerated obsolescence** of European modern rail rolling stock
= solutions: synchronised and coordinated deployment + **CEF ERTMS budget to cover 100 % of costs for retrofitting and upgrading** rolling stock

AERRL's position on state aid

- Public aid is essential to support the growth of rail but focused on ***the least distortive forms of aid and aid improving global efficiency of the railway system.***
- Least distortive forms of aid are aid to **Rail Operation costs reduction** as such as Infrastructure track access charges, Drivers and land staff training costs, taxes applied to energy,
- Least distortive forms of aid are also aid improving **global efficiency** of the railway system, for the benefit of all operators in a fair and a non-discriminatory manner, such as aid supporting investment on ERTMS, DAC or swap from fossil fuel towards green energies,
- We consider that subsidies aimed at **procuring and delivering new Rolling Stock** can deviate in most cases from this statement.
- Whatever the aid, how is the aid allocated and is it –in practice- accessible to **small players ?**