

## ERFA: towards the FULL opening of the European railway market - quite a journey!



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Secretary General

### **When did your institution start its activity in Brussels? How was your organization created?**

ERFA asbl - the European Rail Freight Association - was founded in 2002 with the First Railway Package (European directive 2001/12, 13, 14/EC) to promote European rail freight transport and the stakeholders active in that area through the complete liberalization of the market. We represent 22 companies and 8 national associations active in 16 countries. The independent and private railway companies which are members of ERFA ('the

new Entrants') are the pioneers of long-haul cross-border rail freight traffic. They already represent 1,000 locomotives, 60,000 wagons, and more than 10,000 new jobs. Our association was a brand new one because it brings together cross-border companies, whereas the historical national ones were limited to dealing with traffic inside their own borders.

### **What are the main objectives of your institution? What are the main areas in which you are involved?**

'Satisfied customers with lean, seamless, efficient European cross-border rail freight traffic in a fully open single market' is our credo. First we have to work together to ensure the successful implementation of the 4th Railway Package (the governance of the railway infrastructure, the recast of the regulation establishing a European Railway Agency (ERA) and the opening of the domestic rail passenger market). We are also totally committed to the European transport White Paper from April 2011 and its 2030 and 2050 targets. Our members are rail freight operators, wagon keepers, leasing companies, service providers, forwarders, which run block and intermodal trains across several borders and group and distribute wagons for various industries. They all believe in the success of a full market opening and we - as an association - are fighting and lobbying for them to achieve an economically attractive environment, competitive positions, optimal operating conditions, common safety standards and the abolition of legal and material barriers. If we are to succeed, we have to influence and convince the European Commission, the Economic and Social Committee, the Members of the European Parliament, the Council and all the stakeholders, including the trade unions which are so powerful in the sector.

### **Do you work with other institutions in Brussels having the same objective?**

#### **How do you see consolidation and competition in your sector in Europe?**

Yes, of course, we work with other associations to develop common positions on safety, interoperability, corridors and investment programmes. This creates better understanding and efficiency for the new open market. In the coming years, therefore, the market will experience consolidation and competition processes with massive long-haul traffic through freight corridors and regional collection and distribution traffic between hubs, terminals and widely-spread industries in the hinterland. In both segments, incumbents and new entrants ('the alternative') will compete for the best benefit of the market.

### **How can you reach the European institutions? Which institutions are you working with? Do you believe that the European Union and European integration are positive for your institution?**

ERFA benefits from the status of a European Representative Body systematically and regularly consulted by the European institutions and even involved in their

processes. ERFA is a member of the ERA board and of various EC steering committees dealing with the corridors, the ERTMS (traffic management and signalling-safety system) and other topics. We are invited to express our opinion by MEPs and their committees. Of course, we are totally in favour of close European integration, but we also have to take very serious account of the positions of the Member States (MS), which clearly influence the EP/Council dialogue and the decisions to be taken. So we are involved in a permanent multi-partner discussion as we strive to reach our goals.

### **What are your main successes? Have you experienced any setbacks?**

We are flexible market-openers... but this is really no simple task. We face strong opposition and resistance from the MS and their national incumbent champions, combined with fear of change in their habits and positions. We have had to contend with a lot of institutional, technical and operational barriers. Within 6 years, we issued 30 complaints to the Commission, leading to several infringement procedures against MS. We had to battle to secure the application in MS of the requests in the first package; we pushed for a recast and we succeeded. Now the recast is voted and to be implemented afresh in the MS. But in the meantime, the opening of the European railways market has been pushed back by 10 years!

### **How do you see the future of your activity in Europe? How do you see your sector evolving in Europe in the coming years and decades?**

From a patchwork of national railways to a lean European network! Too many national rules (11,000!) have to be harmonized and optimized all across Europe: this is a very long, cumbersome and costly process, with huge investments to make the railways profitable and competitive with road transport all across Europe. The Council and the Heads of States and Governments are to decide shortly on an envelope of +/- 20 billion for railways for the period 2014-2020 alone. We also have to reach the first targets in the White Paper within 20 years (in 2030): 30% of road freight over 300/500 km should shift to other modes such as rail or waterborne transport. The main challenge facing ERFA is to create the best possible conditions in which to develop the business of sufficient independent and private RUs to boost the market and deliver competitive solutions for customers under the supervision of regulatory bodies.

### **Do you have a message for our readers and the European public?**

Be proud to believe in Europe and have the courage to build it by re-structuring cross-border railways connecting harbours, large cities and industrial sites in a spirit of co-modality.



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