

3. Fair access to rolling stock

There is clear evidence that, in the limited cases where rail market opening has already occurred, results have benefited passengers, taxpayers, the sector and the environment. But private investors need predictable conditions (stability). Two measures should be taken to ensure market conditions that will be less prone to surprises

1. New rolling stock

- Access to rolling stock for newcomers is a huge problem: severe lack of supply.
- Current system of Green Bonds for rolling stock is flawed: incumbents receive better conditions because lenders know governments will always bail them out.
- EU needs a new and attractive framework for securing reasonable & fair financing conditions for private investors (operators and lessors). Should come in the form of state guarantees for new, interoperable rolling stock delivered from 2020.
- In order to facilitate this, a new “EU train guarantee institution“ should be introduced, checking new applicants’ business plans. The total sum of the guarantee should depend energy consumption per train kilometre and seat kilometre – the lower the carbon footprint, the better the financing conditions.
- Guarantee fee should be based on a risk evaluation (fee: 1-4 % of the purchasing cost). The institution should grant bankable guarantee within 3 months of an application. Covenants should monitor economic success of the applicants’ services.
- Essentially, there would be little real cost to such guarantees. Should a specific operator not be able to meet payments and a business plan fail (it can happen), then interoperable stock can be sold or transferred to another operator in Europe.

2. Used rolling stock

New entrants also need to the surplus rolling stock of incumbents:

- Equal financing opportunity – incumbents should be required to lease or sell their underutilised fleet, at the same commercial terms as incumbent in-house subsidiary operators. Examples: Izy in BE, Ouigo in FR, Avlo in ES & Arriva in CZ
- No scrapping of perfectly good 2nd hand trains that have not reach life expiry. Examples: (state funded) 2nd hand train sets of Eurostar, SNCF & TGV Lyria
- For initial period, a neutral government entity must fund & set up such leasing company, before private lessors (which already exist) have confidence to enter all passenger rail market
- Regulator must introduce independent KPIs evaluating whether fleet is underutilised – needless reserves - or unnecessarily being scrapped