

OUR VISION FOR NIGHT TRAINS

February 2020

Night trains won't succeed in intermodal competition (e.g. vs low cost airlines) unless they experience intramodal competition first

We call for faster rail market opening among in passenger rail– more innovation & efficiency from long distance competition has led to **better quality & choice, lower prices, higher demand, more jobs & reduced taxpayer subsidy**. Last but not least modal shift towards passenger rail the most sustainable form of transport will also greatly benefit the environment, helping the EU achieve its ambitious climate change goals

Taxpayers should not subsidise more than they have to: it is already an enormous financial struggle to pay for new infrastructure and we need more of this in order to boost cross-border links. Governments should only be funding operators in most efficient way. If no need for subsidy then operations should be commercial. By the way this is also European law - EU 1370/2007 article 2e. Let private investment also take a role

How is this relevant to night trains: Night train campaigners such as “Back on Track” (back-on-track.eu) have the right goal- **more night trains!** This is a far better solution than early morning “red eye” flights. Indeed, data from our members who run long distances buses show there is large demand at night that the rail system is currently not meeting, especially for EU cross-border journeys.

- **Especially with flight shaming**, there is rising interest – which should result in modal shift & profitability.
- **There is no need for one dominant operator across Europe** that builds itself up through preferential taxpayer funding. After 2023, ÖBB Nightjet will have an established market position while competitors need to start at zero -> not just unfair but threatens to delay or cancel benefits from rail market opening.

Besides other operators bring new ideas: to say specific night train routes cannot cover their costs because ÖBB claims this assumes that ÖBB's pricing & product defines the market. Fact: ÖBB is not the only provider.

If governments want to encourage new night trains, they should do so in a manner that is fair to all operators old & new, namely:

1. Subsidising track access and station stop fees instead.
2. Facilitating integrated ticketing with other trains, to ensure a broad feeder network.
3. Providing equal financing opportunities to lease or purchase rolling stock.
4. If public subsidy is still necessary, then there should be competitive tenders -> these work well in other passenger rail segments (e.g. local & regional daytime traffic)

To conclude:

- One dominant operator (or a collaboration of state-owned night operators) is not the right solution.
- We understand that there is a lot of admiration for what ÖBB Nightjet has achieved, but competition will grow the total market and help it to improve as well.
- ***You can't effectively do intermodal competition unless you can do intramodal competition first.***
- Other transport modes enjoy the benefits of intramodal competition - they are more innovative and efficient because of it – **& it will be a problem for night trains if this remain lacking.**

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