



Directorate-General for Mobility and Transport  
European Commission  
28 Rue Demot  
1049 Brussels

18 May 2021

## **Extension of Regulation Establishing Measures for a Sustainable Rail Market in View of the COVID-19 Outbreak**

Dear Mr. Schmidt,

On 7<sup>th</sup> October 2020, Regulation 2020/1429 establishing measures for a sustainable rail market in view of the COVID-19 outbreak entered into force. The Regulation authorises infrastructure managers to reduce, waive or defer charges for accessing rail infrastructure. As you will be aware, the Regulation was initially introduced for the period of 01 March 2020 until 31 December 2020. In accordance with Article 5.2 of the Regulation, and in light of the need for continued support, the Regulation was extended until 30 June 2021. It is welcome that a number of Member States<sup>1</sup> have introduced support measures in line with Regulation 2020/1429, such as a temporary waiving of charges for accessing rail infrastructure, which continue to assist railway undertakings throughout the pandemic. Some Member States have also signaled their intention to maintain these support measures until the end of 2021.

With this letter, the undersigned associations strongly urge the European Commission to extend Regulation 2020/1429 by a further 6 months. To achieve the European Commission's modal shift objectives introduced under the Sustainable and Smart Mobility Strategy, continuous support to the rail sector is needed.

Due to the COVID-19 pandemic all railway undertakings – especially those providing commercial passenger transport services – continue to suffer significant losses of revenues. CER noted for the 1st quarter of 2021 over 50% passenger revenue losses on average, over 80% losses on open access, with Eurostar and international long-distance passenger services recording losses up to 97%, ALLRAIL noted over 81 % revenue losses on average with international long-distance passenger services recording losses up to 100%.<sup>2</sup>

Rail freight operators noted over 10% losses for the first quarter of 2021. While the situation is less bad for rail freight operators, they too have been hit by significant losses and increased costs. For a sector which operates on a small profit margin, this can have a significant impact on the long-term viability of operators.

At the same time, it should be noted that in Member States where track access charges have been reduced or waived, the estimated loss of revenues of the infrastructure managers is 6 to 8 times higher than in Member States where charges remained in place. Therefore, it is imperative that the reduction or waiver on the basis of Regulation 2020/1429 is always accompanied by Member States' compensation of financial losses suffered by infrastructure managers.

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<sup>1</sup> Austria, Belgium, France, Germany, Italy, Luxembourg and the Netherlands

<sup>2</sup> All figures compared to the same months of 2019

Extension of the Regulation until the end of 2021 will support the rail sector, and will help to ensure that both operators and infrastructure managers are in a strong position to contribute towards Europe’s long-term modal shift objectives.

Kind regards,



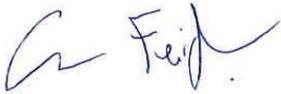
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