

PRESSE RELEASE

## **Rail infrastructure focused on the public interest is necessary for modal shift to rail in Germany**

**Alliance of associations reiterates demands for a 2<sup>nd</sup> Railway reform in Germany – banning key discussions will not help climate change**

Berlin (15th November 2021):

The debate about the future of the German domestic rail structure has picked up speed again. The negotiators of the Green Party and liberal FDP party call for a stronger separation of infrastructure manager and in-house rail operators within the DB Group – but this collides with a total refusal attitude of the social democrat SPD party which apparently does not want to allow any changes to the existing model. Meanwhile, the SPD's close ally - the transport union EVG - is deliberately stirring up unproven fears of job losses caused that would allegedly arise from unbundling. Both are doing a disservice to achieving climate change goals by hindering modal shift to rail.

Meanwhile, the railway associations NEE, mofair and ALLRAIL, the passenger user association Pro Bahn and the German Train Drivers' Union GDL are calling for the DB Group's infrastructure companies (track network, stations and traction current network) to be freed from their current profit orientated objective. In future, they should be clearly steered towards quality and customer orientation instead. This alliance of associations and the GDL had already taken this approach in a joint position paper in August 2021.

**The President of the German association of independent passenger rail operators mofair, Dr. Tobias Heinemann, says:**

“To achieve modal shift to rail, we urgently need more innovation and a rethink of rail infrastructure. For years, the German government have demanded that the rail infrastructure earn profit through high track access charges. This is not demanded this from any other mode of transport. It is time to give priority to rail and therefore to manage the infrastructure



exclusively according to quality criteria and focus on the customers. This makes it imperative to unbundle the infrastructure from DB's in-house operator and thus ensure transparency. This will need more people rather than fewer people – so any fear of job losses is completely absurd. Fuelling fear is a popular way of preventing change and slowing down innovation.”

**The Chair of the German association of independent rail freight companies, NEE, Mr. Ludolf Kerkeling, says:**

“We have delivered a package of proposals on how the infrastructure manager can be managed more efficiently and as an instrument in order to achieve faster modal shift to rail. If the SPD really has its heart set on it, then this can even be realised within the DB Group. According to a survey last week, 49 percent of Germans are in favour of a two pillar model (evidence is available). The current coalition negotiators must be aware that from New Year 2022 onwards (at the latest), all the bad news about quality problems and ever increasing debt for a tightly vertically integrated DB Group will be addressed to their door instead”.

**The President of ALLRAIL, the Alliance of Passenger Rail New Entrants in Europe, Dr. Erich Forster, states:**

"The market share of rail in international passenger transport is still far too low - to the detriment of the EU's ambitious climate change goals. As one of the main solutions, Europe needs rail infrastructure companies that are geared to increasing traffic and oriented towards the public interest. The resulting increase in rail traffic would not lead to a loss of jobs, but on the contrary: new jobs would be created – like what happened in Sweden when unbundling took place (+71%). Inefficient vertically integrated rail incumbents in the national EU Member States only serve to undermine the Single EU Rail Area of the future."

**The Deputy Chairman of the German passenger rail users group ProBahn, Dr Lukas Iffländer, adds:**

"Anyone who has experienced how efficiently a Bavarian motorway directorate works and at what speed it builds knows that we need a federally owned rail infrastructure focused on the public interest. This is absolutely necessary for the expansion of a sustainable rail system. But it needs the right targets and objectives. This would be the very opposite of neo-liberalism - the state would finally take direct responsibility for the rail network into its own hands and renounce the need for profits from the infrastructure. It is only this way that the German rail system can make its contribution to climate change."



**The Chairman of the German rail trade union GDL, Claus Weselsky, finishes with:**

"The stock market plans of former DB CEO Hartmut Mehdorn have long since had their day, and yet the DB Management Board together with the EVG is still using them as an argument. Every day, we see new evidence that the infrastructure of the German rail system is geared to neither punctuality nor to reliability, let alone to public welfare and increasing traffic volumes. The SPD has already failed here as part of the current coalition government of Angela Merkel and is once again resisting any change. There cannot simply be just more of the same, because the only way to combat climate change is to shift traffic to the railways. Therefore, the infrastructure must be completely reorganised, i.e. released from its obligation to earn a profit. The heart of the railway system belongs neither to the DB board nor to the EVG,; instead it is publicly owned property and must be made fit for the future with billions of taxpayers' money. Therefore, the SPD must no longer stand in the way of progress!"

In August of this year, our broad alliance of associations presented five positions for a 2<sup>nd</sup> rail reform in Germany:

- (1) Active climate protection can only be achieved through genuine modal shift to rail.
- (2) Building works and maintenance must always be co-ordinated with operators.
- (3) This requires an autonomous, independent federal rail infrastructure manager that is focused on the public interest.
- (4) The financing of the infrastructure must be permanently ensured by means of a long-term fund completely separate from any operator.
- (5) Competition in the system must be further strengthened.

Our alliance emphasises that "railway" in Germany is much more than just "DB" or "Deutsche Bahn" but also includes the competing rail operators, ticket vendors, public authorities, the railway industry, trade unions, consumer and passenger associations, the logistics sector as well as shippers and suppliers.

The argument often brought up by vested interests that a structural discussion would paralyse the rail system for years is countered by our alliance with the obvious evidence that reform must be on the agenda - in view of the unsatisfactory quality and the ever increasing debt of the DB Group - over 32 billion euros and growing. Better to tackle reforms now than to wait until it is too late.



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