

PRESS RELEASE

Europe must not return to night train services funded by unnecessary Public Service Obligations (PSOs)

BRUSSELS, January 13th 2022: recently, the well-known magazine *Time Out* revealed “*the 22 best new things to do in the world in 2022*”¹. Coming in at Number 17 is a new international night train service that will be commercially viable, with an innovative concept that will attract new passengers to rail.

Why then are many state-owned rail incumbents lobbying for taxpayer subsidised Public Service Obligations (‘PSOs’) for international night trains instead – a repeat of the model that already failed around 10–15 years ago. Are memories really so short?

There is a big incumbent lobby campaign taking place right now trying make PSOs the normal practice for night trains – rather than only in exceptional cases. For example:

- A recent article in the German newspaper *Tagesspiegel*² states how “*insiders*” claim rail operating costs create a 10–20% deficit that needs to be subsidised by taxpayers in order to ensure that night trains can be run.

But this claim is very surprising considering that the new Prague–Brussels night train service mentioned above will be run commercially. Meanwhile: the privately owned operator RegioJet offers other European international night trains in a commercially viable manner as well, with even more services set to be introduced later in 2022.

- In addition: the private operator Snälltåget operates night trains between Sweden, Denmark & Germany in a commercially viable manner too, with ridership growing.
- Not forgetting: even Europe’s market dominant night train operator – ÖBB Nightjet – operates a commercially viable service between Zurich and Amsterdam.

ALLRAIL sees growing demand for night trains. To seize on this momentum, we need innovation and market opening, and not rigid PSOs reliant upon taxpayer subsidy. The international night train PSO model failed 10–15 years ago. Are memories really so short?

Conclusion: Calls for night train PSOs are just old school protectionism: they are just intended to justify new directly awarded taxpayer subsidy to state rail incumbents.

There is a better solution: unfortunately, track access fees & traction energy costs make up a huge chunk of rail operating costs – much higher than in other transport modes.

Therefore, ALLRAIL Secretary General Nick Brooks emphasises: “*Rather than returning to the era of failed PSOs, Europe needs a significant reduction in both track access fees and traction energy costs for all night train operators. This would cover any deficit and create a new era of innovative, commercially driven night train services in Europe*”.

¹ <https://www.timeout.com/about/latest-news/time-out-reveals-the-22-best-new-things-to-do-in-the-world-in-2022-121521>

² https://m.tagesspiegel.de/politik/nachtzug-boom-in-europa-welche-huerden-das-reisen-im-schlaf-noch-nehmen-muss/27896902.html?utm_referrer=https%3A%2F%2Ft.co%2F%2F&s=08