



# ALLRAIL

The Future of Passenger Rail

## POSITION PAPER

### On the EU High-Speed Rail Master Plan

October 2025



*Two trainsets of our high-speed member operator Italo, which launched its services in 2012 at Milano Centrale*

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## Executive Summary

### **ALLRAIL welcomes the coming EU's High-Speed Rail Master Plan.**

But: infrastructure and more taxpayer subsidy are not enough. Only competition, structural reform and a passenger-first approach will deliver affordable, sustainable high-speed rail ('HSR').

**The evidence is clear:** wherever privately owned new entrants operate (e.g. Italy, Czech Republic, Sweden, Germany, UK), fares fall, ridership grows, and infrastructure use improves.

### **Key barriers – and the solutions that Europe needs:**

#### ➤ **Construction costs**

- Disparities from €90m/km to €18m/km.
- EU must drive standardisation, avoid gold-plating, and streamline permitting.

#### ➤ **Track Access Charges (TACs)**

- Too high for new entrants.
- Lower, affordable TACs + 10-year agreements = more services and higher infrastructure revenues (Italy, Spain).

#### ➤ **Demand Responsiveness**

- Monopoly clockface timetables under-utilise the infrastructure.
- The default for HSR must be Open Access, bringing higher frequencies, fuller trains and faster modal shift.

#### ➤ **Rolling stock access**

- Stop scrapping taxpayer-funded trains to block rivals.
- 2nd hand taxpayer-funded fleets must be resold/reused; new entrants should have equal financing to all types of public funds

#### ➤ **Depot & maintenance facilities**

- Access must be fair and independently regulated – which is also essential to securing financing for HSR rolling stock.

- **Ticketing** – “The Great Ticket Unbundling”
  - Mandatory visibility of all operators on dominant rail ticket vendors.
  - Real-time, non-discriminatory data access for independent ticket vendors
  - HSR & regional rail through tickets, EU-wide Missed Connection Protection (MCP).
- **Interoperability**
  - ERTMS deployment, mutual recognition of authorisations, cross-border staff certification.
- **EU Institutions**
  - Boost resources at EU Commission’s Transport Directorate (DG MOVE), the EU Agency for Railways (ERA) as well as at national regulators.
  - **Nominate an EU HSR Coordinator** who is independent and neutral of any special interests, reporting into an EU institution

**The goal:** A competitive HSR market with multiple operators that lead to affordable fares, higher quality, stronger connectivity and new jobs. This position paper sets out our vision for a competitive HSR network that avoids monopoly pitfalls and maximises benefits for passengers, taxpayers and society.

## ALLRAIL's Vision for High-Speed Rail

According to the OC&C Long-Distance Travel Market Study of 2023, the European high-speed rail (HSR) market was valued at approximately €27 billion in 2023 and is projected to grow to around €35–36 billion by 2030 (a compound annual growth rate of 4–5%). This demonstrates the significant opportunity for growth if the right conditions are in place.<sup>1</sup>

ALLRAIL believes that a demand-driven high-speed rail network – connecting capitals and metropolitan regions (typically catchment areas of above 100,000 inhabitants) with journey times of up to five hours – can be commercially viable for multiple operators.

The long-term vision for European HSR is a network that is:

- **Passenger-centric** – multiple competing HSR operators delivering affordable fares and high service quality.
- **Efficient** – infrastructure used to its maximum potential, with high frequencies and strong occupancy rates (load factors).
- **Easy to book** – all services and through-tickets available across impartial sales channels.
- **Inclusive** – not only linking major cities but also supporting regional connectivity and equitable access for all: both budget-conscious and affluent consumers.

Experience from liberalised markets such as Italy, the Czech Republic and Sweden show that competition on the same tracks reduces fares, fills trains, and accelerates modal shift. The EU HSR Master Plan must therefore ensure that all new routes are open to multiple operators from the outset.

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<sup>1</sup> **Flix SE.** (2025, May 27). A new era for train travel – FlixTrain has ordered 65 new European high-speed trains. Press release. Retrieved from [https://corporate.flix.com/press\\_releases/a-new-era-for-train-travel-flixtrain-has-ordered-65-new-european-high-speed-trains/](https://corporate.flix.com/press_releases/a-new-era-for-train-travel-flixtrain-has-ordered-65-new-european-high-speed-trains/)

## THE OPPORTUNITY – New Entrants Are Already Active in HSR

ALLRAIL's high-speed rail vision is not merely aspirational, it is already actively being implemented by its members, who are at the forefront of launching new HSR services across Europe. They are committed to delivering competitive, sustainable, and innovative HSR solutions.

In Italy, there is the high-speed operator **Italo**<sup>2</sup> (Nuovo Trasporto Viaggiatori S.p.A) – a founder member of ALLRAIL – that is a benchmark for successful rail liberalisation in Europe and around the world.

- **2012** (launch year): Surpassed **2 million passengers**<sup>3</sup>
- **2018**: Reported **~17 million passengers**<sup>4</sup> carried
- **Since launch**: Now serves **over 20 million**<sup>5</sup> **passengers** annually

### Network & Fleet Expansion

Fleet: Started with 25 Alstom AGV high-speed trains; later added ~26 Pendolino EVO sets, now totalling ~51 energy-efficient electric trains.

### Market Impact

- Italo's entry has significantly shifted modal share, compared to beforehand with just one HSR operator (FS Trenitalia):
  - On the Milan-Rome route, rail market share grew from ~36% in 2008 to ~80% in 2018, with airlines falling from ~50% to ~14%
- Italy's state-owned incumbent rail operator FS Trenitalia then responded to the competitive pressure from Italo **by lowering fares and improving services**<sup>6</sup>.

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<sup>2</sup> **Italo official website** – Nuovo Trasporto Viaggiatori S.p.A, available at: [italotreno.com](http://italotreno.com).

<sup>3</sup> **Steer**, *New Italo train takes off*, published 26 April 2012, available on the Steer website [here](#).

<sup>4</sup> **Mediarail**, *NTV-Italo: a successful high-speed rail liberalisation in Italy*, published 17 November 2018, available at: [mediarail.wordpress.com](http://mediarail.wordpress.com).

<sup>5</sup> Global Infrastructure Partners and Mediterranean Shipping Company Establish a Strategic Partnership for Italo," **Business Wire**, 1 October 2023. Available at: [businesswire.com](http://businesswire.com).

<sup>6</sup> **OECD** "High-Speed Rail Competition in Italy: Impacts on Fares and Services," September 2016. Available at: [oecd.org](http://oecd.org).



Picture 1: **Italo is an international benchmark** – Here is Adj. Prof. Dr Andrea Giuricin of TRA Consulting presenting about the success of Italo during the APTA (American Public Transport Association) High-Speed Rail Seminar in San Francisco, USA, on 29<sup>th</sup> June 2025

Meanwhile in Austria, the independent operator **Westbahn**<sup>7</sup> (which has operated long-distance services since 2012) will expand to offer high-speed services in 2026, introducing five daily trains [between Vienna and the south of Austria](#), via the newly built Koralm Railway:

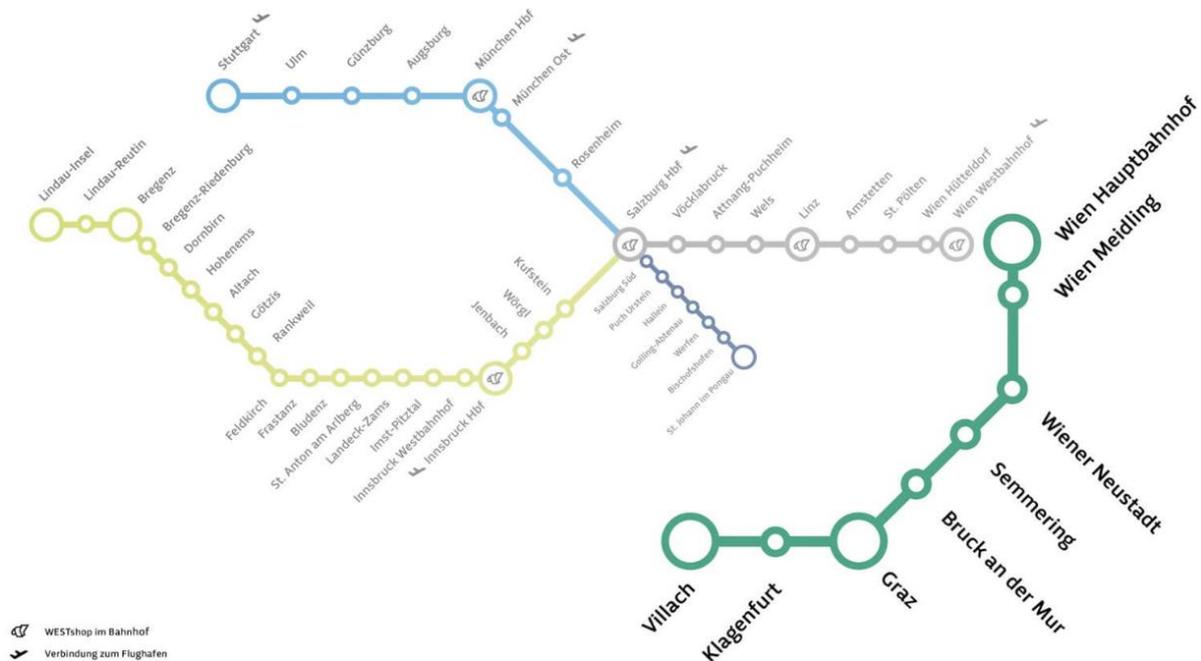
- Using newly ordered Stadler SMILE trains (top speed of 250 km/h and 11 carriages with a total length of 202 metres).



Picture 2: the new Westbahn Smile EMUs (render)

<sup>7</sup> **Westbahn**, Official website of the Austrian-based private rail operator: [westbahn.at](http://westbahn.at).

Here is a map of Westbahn’s future high-speed **network extension**, starting on 1<sup>st</sup> March 2026, linking Vienna and Villach with major stops in between:



Picture 3: Current and future Westbahn network (the new HSR service is in dark green)

In the meantime, in France, the independent start-up operator **Kevin Speed**<sup>8</sup> is preparing to launch hourly HSR trains between Paris and Lille, Strasbourg, and Lyon as well as regional high-speed stations in between (see the map below). This is revolutionary because it will in effect become a regional HSR service for commuters – without PSO (Public Service Obligation) subsidy.

- Kevin Speed is the first independent operator in France to secure a **10-year Track Access Framework Agreement**, guaranteeing regular service on three of the country’s busiest high-speed corridors.
- With 20 new trains and a mission to provide affordable, reliable mobility at 300 km/h, **llisto** (the brand name of the new HSR service) aims to address the overreliance on car travel caused by high fares and insufficient train availability.

<sup>8</sup> **Kevin Speed**, Official website of the French independent high-speed rail operator. More information is available at: [www.kevin-rail.com](http://www.kevin-rail.com).



Picture 4: Future network of Illisto (Kevin Speed)

Meanwhile in Germany, the independent operator **FlixTrain** – whose long-distance Open Access trains have been in service since 2018 – recently ordered up to **65 new European high-speed trains (230 km/h)**<sup>9</sup>:

Talgo will provide the respective trainsets and certain maintenance services, while Siemens will provide the locomotives. With this strategic move, FlixTrain is responding to the growing demand for fast and affordable rail travel. The company intends to use the new high-speed trains to leverage the enormous market potential not only in Germany but also cross-border within the EU.

<sup>9</sup> **Flix SE**, “A new era for train travel – FlixTrain has ordered 65 new European high-speed trains,” Flix Corporate Press Releases, 27 May 2025, [https://corporate.flix.com/press\\_releases/a-new-era-for-train-travel-flixtrain-has-ordered-65-new-european-high-speed-trains/](https://corporate.flix.com/press_releases/a-new-era-for-train-travel-flixtrain-has-ordered-65-new-european-high-speed-trains/)



Picture 5: Future new FlixTrain Talgo 230 (render)

## Other Actors In The Value Chain Also Play a Major Role

ALLRAIL is a movement, with members in all parts of the value chain, united by the aspiration to grow High-Speed Rail through market opening.

By specialising on their own core competency, other actors can optimise efficiency and interoperability, bringing down the cost of HSR operations.

It can serve HSR trains as well. By embracing digital maintenance, EUCO Rail ensures optimal fleet performance without borders, or barriers.



Picture 6: An EUCO RAIL Maintenance facility

Meanwhile, independent distributors also play an important role. For example, Trip.com Group is a major global online travel agency – the world’s largest. Its goal is to increase European and global awareness for passenger rail, with high-speed rail being the flagship of these efforts.



Picture 7: Global reach – Trip.com’s Rail CEO Dennis Li presents impressive rail growth numbers for 2024 at the Envision.2025 travel conference<sup>1</sup> in Shanghai on 26 May 2025

All in all, ALLRAIL’s members are bullish on the opportunities to provide high-speed rail services, and they are hungry to deliver.

- There are even more members who will announce new HSR plans in the future – not yet in the public domain.
- They can invest, innovate, deliver for passengers and relieve the burden on taxpayers, **providing that the market conditions are right.**

## THE CHALLENGES

In this section, we will identify the various barriers that stand in the way of achieving a truly World Class high-speed rail system for Europe.

### The White Elephants – Spain’s Experience

“Build It and They Will Come” is a much-heard phrase with regard to HSR. Proponents of this theory claim that first you just have to build the lines, and then passengers will flock into the trains. Except in reality, this does not happen:



Picture 8: *The White Elephant of High-Speed Rail*

Spain’s initial experience was underwhelming.

Back in the 1990s and 2000s, EU funding supported the construction of Spain’s high-speed network. However, for many years – decades – , this infrastructure was significantly underutilised<sup>10</sup> – a classic ‘white elephant’.

Too few passengers – too little revenue – and so many HSR services even had to be subsidised by the taxpayer, by means of a Public Service Obligation (PSO) concession.

In 2016, the newspaper *El País* reported that one in four high-speed stations was being used by fewer than 100 passengers a day. In 2018, a magazine commentator described the system as a “waste of money”<sup>11</sup>.

This only changed in 2021 when the introduction of a competing HSR operator on the same tracks led to a growth in ridership<sup>12</sup>. In 2022, a second competitor arrived. In turn, this proved that having more than one single HSR operator can improve the usage of publicly funded HSR infrastructure.

<sup>10</sup> *Spain’s high-speed railway: What went wrong?*, **Railway Technology**, 25 October 2016. Available at: [railway-technology.com](http://railway-technology.com).

<sup>11</sup> *Spain’s high-speed railway: What went wrong?*, **Railway Technology**, [railway-technology.com](http://railway-technology.com).

<sup>12</sup> **El Español / Invertia**, “*Ouigo and Iryo drive growth in high-speed rail ridership in Spain: 50 million in one year*”, 8 December 2023. Available at: [elespanol.com](http://elespanol.com).

## High-Speed Rail Not Fulfilling Its Full Potential – The Lack of Intramodal Competition

### In the European Union:

Unfortunately, the monopolistic “single operator” model in high-speed rail still dominates, and it fails to optimise the full market potential. For example, we estimate that high-speed rail between Paris and Brussels only carries around 4 million passengers per year – despite a fast 90-minute journey time.

Since 1997, there has been only one operator on this route: Eurostar (formerly known as Thalys), a majority subsidiary of the French state-owned rail incumbent SNCF.

By contrast, we estimate that on the Rome–Milan route, a journey time generally of around 3 hours, where two HSR carriers have operated since the market entry of Italo in 2012, a conservative estimate suggests there are at least 15 million passengers annually. This is based on the number of trains per day, estimated seat capacity and an estimated average load factor.

Another chronic underperformer is also the Channel Tunnel route between the UK and France. With just one single HSR operator (once again: Eurostar), the tunnel itself remains severely underutilised, with **high-speed operations at just 50% of potential capacity**, over three decades after being opened.

This could soon change though. **A special shout-out to Gemini Trains<sup>13</sup> and Virgin<sup>14</sup>**, two privately owned newcomers who plan to bring a long overdue choice of operators to the Channel Tunnel HSR market.

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<sup>13</sup> **Gemini Trains'** official website is: [geminitrains.com](https://geminitrains.com).

<sup>14</sup> **The Guardian** *Virgin: no more major hurdles in running cross-Channel trains*, 31 March 2025. Available at: [theguardian.com](https://theguardian.com).

## In China:

Meanwhile in China, the sheer speed of HSR construction is impressive, but the model remains flawed<sup>15</sup>. China has built over 45,000 km of high-speed rail, but without any market opening, it faces deep problems:

- There is no intramodal 'On Track' competition – unlike in Chinese domestic aviation, which has been liberalised (e.g. Air China competes with China Eastern, China Southern and many more)
- Despite a large population to draw from, millions of lower-income, price-sensitive passengers still use the slower green trains (by the same operator, China Railways) instead, because they have cheaper fares.
- There is limited yield management to manage demand. HSR services are often sold out long in advance for busy periods, not only in Second Class but also in First Class.
- Yield management could be used more effectively to raise fares when there is demand and reduce it when there is not, to attract more customers and revenue overall. Yet there is seemingly no incentive for the state-owned incumbent monopoly operator to do this.
- The massive debt burden raises questions about the long-term financial sustainability of this model.

In a June 2025 article in the Asia Times<sup>16</sup>, it was reported that only 6% of the total HSR routes in China make a profit. By contrast, China's regular conventional long-distance services (green trains) are profitable, suggesting that more budget conscious passengers prefer to take these rather than an HSR service that might not be full but still has a higher fare.

To summarise, the lack of intramodal competition on HSR services in China is likely preventing the kind of innovative techniques that will provide better customer outcomes, achieve profitability on more routes faster. Were this to happen, it would help to alleviate the severe debt problem.

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<sup>15</sup> **Pekingology** *China massively overbuilt high-speed rail, says leading economic geographer.* Available [here](#).

<sup>16</sup> **Asiatimes** *China's fast-growing high-speed railway network faces reality.* Available [here](#).

## In the Rest of the World:

Unfortunately – as far as we know – many future new High-Speed routes in other parts of the world seem to be ignoring the evidence and adopting the ‘single operator’ model as well. For example:

- United Kingdom’s High Speed Two (HS2)
- Canada’s Alto
- Australia’s High Speed Rail Authority

We predict that they will all face the same problem – namely that demand for the rail network has not matched scope, and that funds have been funnelled into a system that does not serve a wide enough range of customers (for commercial viability) and therefore diminishes the economic benefits to be worth the cost of the infrastructure and service provision.

- If they commit to at least two competing operators from the outset, it could help their business cases.

The key lesson for Europe from worldwide experience is that building HSR infrastructure alone is not enough. Without competition and demand-responsiveness, HSR risks becoming inaccessible to many and financially unsustainable.

ALLRAIL’s [key HSR principles](#) apply to high-speed rail systems globally.



Picture 9: *HSR market opening principles can apply around the world*

## Pre-Defined Paths are the Wrong Model

Long-distance rail, like all other modes of long-distance transport, is a demand-driven Open Access market. This does not mean that long-distance trains only operate at peak hours on trunk routes, but in reality, there is a high incentive for operators to nurture existing demand and generate new demand, ensuring services every day at all times of the day.

With analysis of passenger flows, and dynamic scheduling and pricing that responds to usage, HSR can be delivered efficiently without taxpayer subsidies. This can easily meet the societal needs, without any burden on the taxpayer.

- This demand-driven model has already delivered successful long-distance rail markets in Italy, the Czech Republic, Sweden and more. These markets have seen high frequencies, high load factors, and modal shift, without needing to predefine entire routes into a rigid clockface timetable.

At the same time, whenever there is scarce capacity, in the case of bottlenecks (e.g. Paris Gare du Nord station), there should be framework agreements, to ensure new entrants and their investors will still have the right to offer a service for the next 10 years. However, outside of the bottlenecks this is unnecessary.

Unfortunately, pre-defined paths for entire routes remain a major threat to HSR, especially if they are enabled under the future new EU Rail Capacity Management regulation. They impose a rigid top-down structure that deters investment, reduces flexibility, and replicates the inefficiencies of centrally planned systems.

 The CPK<sup>17</sup> HSR project in Poland is at high risk of adopting such a model  They risk becoming "Public Service Obligation (PSO) concessions in disguise" – allocating infrastructure to HSR services following a political logic – and not economic logic. Indeed, should the trains remain empty, the next step would likely be subsidised high-speed PSOs, as we have witnessed in Spain.

**Passengers are best placed to decide demand – not transport authorities**

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<sup>17</sup> **Centralny Port Komunikacyjny (CPK)** is a new project lead by the Polish Government that plans to build a new high-speed network in Poland connected with **intermodal hubs**: a new airport in the west of Warsaw integrated with a nationwide **high-speed rail (HSR)** network and road links.

## Lack of Non-Discriminatory Financing and Lack of Supply of Rolling Stock

Access to modern, interoperable rolling stock remains **the most critical barrier to market entry** for new entrant high-speed rail operators vis-à-vis state-owned rail incumbents.

### Poland is particularly worrying:

The sheer contrast is startling: For example: only last week, it was reported how the Polish state operator PKP Intercity (PKP IC) *“will accelerate its tender for 20 new high-speed trains.... accelerating the tender looks like a pre-emptive move to lock in its own high-speed fleet before competitors can arrive”*<sup>18</sup>

- It is worth noting that PKP IC has received 2162 million Polish złoty (508 million euros) in non-repayable support from the National Plan for Reconstruction and Increasing Resilience (KPO)<sup>19</sup>.
- In addition: last year the European Investment Bank (EIB) announced a loan of 2580 million Polish złoty (605 million euros) to PKP Intercity for *“Fleet Renewal and Expansion”*<sup>20</sup>.

Can it be a coincidence then that **all this new taxpayer money** is benefiting PKP Intercity, and now there is a media report on how it will be *“locking in its own high-speed fleet before competitors can arrive”*?

Other operators plan to operate high-speed trains in Poland as well, but they do not have the same preferential access to taxpayer funds.

Therefore, in February 2025, it was very welcome news, namely that the government-owned high-speed infrastructure manager CPK would start a HSR

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<sup>18</sup> **RailTech.** (2025, September 25). Why is PKP accelerating its tender for a high-speed fleet ‘by several months’? Retrieved from <https://www.railtech.com/all/2025/09/25/why-is-pkp-accelerating-its-tender-for-a-high-speed-fleet-by-several-months>

<sup>19</sup> **PKP Intercity.** Over PLN 2 billion of EU funding for locomotives and wagons for PKP Intercity [Press release]. Retrieved from <https://www.intercity.pl/pl/site/o-nas/dzial-prasowy/aktualnosci/ponad-2-mld-zl-dofinansowania-ue-na-lokomotywy-i-wagony-dla-pkp-intercity.html>

<sup>20</sup> **European Investment Bank (EIB),** *PKP Intercity Fleet Renewal and Expansion II* (Project reference 20240138), Project Pipeline, released 18 June 2024. Available at: <https://www.eib.org/en/projects/pipelines/all/20240138>

rolling stock leasing company (ROSCO)<sup>21</sup>, so that all operators can lease trains from it.

However, just six months later in July 2025, the Polish financial publication money.pl suddenly reported that “*There will be no rolling stock pool*”<sup>22</sup> anymore, adding how the Deputy Minister of Infrastructure has said that PKP Intercity (not CPK) “*will be able to purchase long-distance rolling stock.*”<sup>22</sup>

- *Even the photo of CPK in money.pl’s article*<sup>22</sup> shows a station full of PKP IC high-speed trains, without any competitors – *is this CPK’s real objective?*
- If the planned ROSCO is abolished, then it would be a major setback.

The fact is: Without an equal level of taxpayer-funded financial support for all operators, the liberalisation of HSR in Poland will remain a paper exercise.

### **Even the EU Commission has recognised the problem:**

In the EU Commission’s recent report<sup>23</sup> on the implementation of the Single European Railway Area Directive (from 8th July 2025), it finally acknowledged the structural challenge relating to access to rolling stock:

- “*The current Directive is silent on this very significant barrier to entry*”,
- “*Active operators may prefer scrapping rolling stock over reselling to avoid favouring competitors*”,
- And in its conclusion, the EU Commission explicitly calls for “*further independent analysis, notably the availability of rolling stock*”.

This was an important development. While no binding measures have yet been proposed, **the formal public recognition of this market failure** must finally pave the way for ex-ante obligations to ensure fair access to rolling stock for all operators, not just incumbents.

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<sup>21</sup> Earlier this year it confirmed plans for [Poland’s first high-speed rolling stock leasing firm](#) (ROSCO)

<sup>22</sup> **Money.pl.** (2025, July 14). There will be no major rolling stock purchases at CPK? “The company should focus on construction”. Money.pl. Retrieved from <https://www.money.pl/gospodarka/jednak-nie-bedzie-duzych-zakupow-taboru-w-cpk-spolka-powinna-sie-skupic-na-budowaniu-7178205945948672a.html>

<sup>23</sup> **EU Commission**, *Report on the implementation of Directive 2012/34/EU*, COM (2025) 368 final, 8 July 2025, pp. 3–10. Available at: [transport.ec.europa.eu](https://transport.ec.europa.eu).



Picture 10: Finally, there is formal recognition of the problem, but will the coming EU High-Speed Masterplan address it?

### Further related problems:

- **Market imbalance and lack of real HSR leasing market:** European rolling stock manufacturers often prioritise state-owned incumbents, who can place large orders backed by implicit state guarantees.
- In high-speed rail, the combination of poor interoperability and historical monopolistic operations in each country means that there is usually only one potential customer per train – typically a state-owned operator with cheaper access to capital, leaving leasing companies without incentives or bargaining power to provide rolling stock financing.
- **Discrimination by volume:** Independent operators and leasing companies, ordering smaller fleets, frequently face higher per-unit costs, or worse, receive no response at all to their Requests For Proposals (RFPs).
  - Additionally, some state-owned incumbents even own strategic IP rights of certain rolling stock in the development phase(!), which are not always available to new entrants that need to use

alternative parts which consequently require a lengthy and expensive re-homologation.

- **Production delays:** Major manufacturers such as Alstom and Siemens are already struggling to deliver large national orders on time (e.g. TGV M for SNCF<sup>24</sup>, ICE trains for DB<sup>25</sup>), putting smaller new entrants at the back of the queue.
- **High homologation costs and Class B systems:** Homologation of rolling stock remains a crucial challenge. The lack of a proper infrastructure, resources and qualified personnel necessary to homologate rolling stock in some Member States, such as in France<sup>26</sup>, create uncertain scenarios. In this respect, the state incumbents enjoy massive advantage over potential newcomers due to their familiarity with the process and documentation required.
- **Premature scrapping:** Publicly co-funded high-speed trains are sometimes scrapped after only 20 years, even though originally funded by the taxpayer, often without an independent appraisal. This despite other models of exactly the same type still operating on exactly the same routes lasting well over 30 years.
- **Incumbents claiming that there is no additional capacity at maintenance and depot facilities<sup>27</sup>:** It can be difficult for new entrants to get access to appropriate maintenance and depot facilities which can in turn make it hard to attract private financing for new rolling stock.

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<sup>24</sup> Fay, S. (2024, May 9). Le nouveau TGV entre en phase industrielle avec un an de retard. Le Monde. [https://www.lemonde.fr/economie/article/2024/05/09/le-nouveau-tgv-entre-en-phase-industrielle-avec-un-an-de-retard\\_6232323\\_3234.html](https://www.lemonde.fr/economie/article/2024/05/09/le-nouveau-tgv-entre-en-phase-industrielle-avec-un-an-de-retard_6232323_3234.html)

<sup>25</sup> Reuters. (2024, June 20). Siemens halts train deliveries to Germany due to defects. Reuters. <https://www.reuters.com/business/autos-transportation/siemens-halts-train-deliveries-germany-due-defects-bild-reports-2024-06-20/>

<sup>26</sup> Following the 2015 Eckwersheim TGV accident, commissioning and testing procedures have become significantly stricter, leading to a severe staffing shortage at GIE EurailTest, main organisation responsible for hiring all testing experts and technicians for the entire railway sector in France. The increased complexity and rigor of the testing process have further exacerbated this shortage, slowing down approvals across the industry. It is worth noting that GIE EurailTest is only staffed with SNCF Voyageurs experts for High-Speed trains.

<sup>27</sup> Railnews. (2025, March 31). Eurostar depot controversy deepens after ORR report. Railnews. Retrieved from <https://www.railnews.co.uk/news/2025/03/31-eurostar-depot-controversy-deepens-after.html>

- **A notable case of lack of access to 2<sup>nd</sup> hand HSR rolling stock.** For example, in 2010, Eurostar International Ltd received a €270 million guarantee from the European Investment Bank (EIB) to purchase new high-speed trains for the Paris–London–Brussels corridor<sup>28</sup>. However, no condition was placed on the reselling of the older 1990s built rolling stock.

Instead of offering it to new entrants, Eurostar scrapped a lot of the 1990s fleet (evidence available), wasting a unique taxpayer-backed opportunity to foster competition and modal shift.

If new publicly funded financed support (we estimate up to €500 million today) is again granted to Eurostar in the near future, e.g. by the EIB, then the same mistake **must not be repeated**.

## Lack of Non-Discriminatory Access to Maintenance and Depot Facilities

Assuming the high-speed trains are financed and arrive, it is also critical that **independent HSR operators have fair and non-discriminatory access to maintenance facilities, as well as depot facilities.**



Picture 11 High-Speed train in a maintenance facility

Whilst some independent, privately-owned maintenance service facility providers do exist,

there are still not enough of them to serve all operators in Europe, let alone high-speed operators.

Without fair access to such facilities, independent operators cannot run services. A strong independent regulatory oversight must help to ensure this.

<sup>28</sup> European Investment Bank (EIB) Project: Eurostar Rolling Stock (Ref. 20100180), [eib.org](http://eib.org).

## The Need for Seamless Integration with Regional and Local Transport

High-speed rail **cannot deliver its full potential in isolation**. France's past emphasis on national HSR development, at the expense of regional and local PSO services, has resulted in fragmented networks and underserved areas.

Meanwhile through ticketing, a significant passenger benefit, remains deliberately restricted by state-owned dominant operators, often refusing to work with new entrant operators on this issue, also in high-speed.

To build a truly door-to-door public transport ecosystem that rivals the convenience of the individual private motor car (with over 80% market share of EU internal passenger traffic volumes), the EU's new HSR Master Plan must:

- Ensure **seamless integration** between high-speed services and **competitively tendered subsidised PSO regional and local transport**<sup>29</sup>, as well as other long-distance rail services.
- Make HSR the structural backbone of a connected, inclusive mobility network.

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<sup>29</sup> Here is ALLRAIL's recent Position Paper (from last month) about the benefits of competitive tendering for all Public Service Obligation (PSO) contracts can be accessed [here](#)

## The Need for Transparent, Non-Discriminatory Ticketing

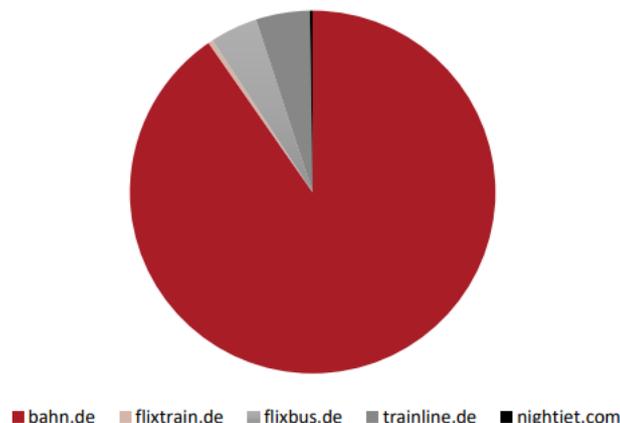
At the heart of this transformation must be **The Great Ticket Unbundling**: the **structural separation** of market dominant rail ticketing platforms with Significant Market Power (SMP) from the in-house market dominant railway operators, in order to remove conflicts of interest and enable fair, non-discriminatory access for all operators.

In the pie chart below we can see how, at the last count, the in-house online rail ticket vendors of the German state rail incumbent DB had an astonishing 94% market share in terms of the number of visits to online sales platforms in long-distance rail, inherited from its historical role as the national rail monolith.

Not only does this reduce the transparency for passengers – who cannot see all rail options available – on a publicly owned platform (!) – but it also it is anti-competitive behaviour, severely undermining the exposure to and thus threatening the commercial viability of new entrant high-speed operators.

**Passengers need multi-channel sales.** To solve this, market-dominant rail ticket vendors must make available the full range of tickets from all willing rail operators, and market-dominant rail operators must be required to provide data access – including the right to sell their tickets – to all willing ticket vendors.

Abbildung 6.2: Anteile der Aufrufe von Internetauftritten mit Vertriebsangebot von Fernverkehrsanbietern im deutschen Schienenverkehr, Dezember 2020



Picture 12: Shares of website visits with sales offers from long-distance rail operators in Germany, December 2020. Source: Monopolies Commission, Sector Report “Bahn 2021: Wettbewerb in den Takt!”

Even the German government now agrees: in a document published last week [“Key Points for the Reform of DB”](#), the German Transport Ministry said that it: *“...expects that (Germany’s dominant online rail ticket vendor) the DB Navigator app, together with its associated online presence, will be transferred to the responsibility of (the rail infrastructure manager) DB InfraGO AG in order to strengthen the common good and competition neutrality”*.

In our view, this should become a core part of the upcoming EU SDBTR (the future new EU Single Digital Booking and Ticketing Regulation) as well.

## The Need for Independent EU Institutions and Strong Rail Regulators

The success of a fully liberalised and competitive European rail market depends not only on existing and future legislation, but also on the capacity of neutral & independent EU institutions to implement, monitor, and enforce it effectively.

Yet today, the EU’s rail-related institutions are under-resourced and there is great disparity between member states in approaches, for example to regulation, compared to other transport modes, particularly aviation.

### Key Challenges:

- At the [European Commission’s Rail Directorate DG MOVE](#), staffing for rail is estimated to be three to four times lower than for aviation.
- The [EU Agency for Railways \(ERA\)](#) operates with a significantly smaller budget than its aviation counterpart, EASA.
- This resource gap limits the EU’s ability to enforce liberalisation and ensure the effective use of [CEF-funded infrastructure](#).

To unlock the full potential of the Single European Railway Area, there must be adequate, stable and predictable resources for DG MOVE and ERA. In addition, strong national rail regulators should have the right expertise and resources to:

- Monitor and enforce rail market opening across the EU;
- Prevent inefficient investments or “white elephant” projects;
- Coordinate the implementation of EU law on cross-border corridors and infrastructure use.

## THE SOLUTIONS: How to Achieve Growth in EU High-Speed Rail

### Make Construction Costs More Efficient

HSR must be built at an efficient cost. One of the most striking takeaways from the EU event *“Joint Workshop on Reducing the Cost of High-Speed Rail Construction”*<sup>30</sup> in Madrid of May 2025, attended by ALLRAIL, was the stark cost disparity in HSR construction across Europe:

- While some Member States incur costs of up to €90 million per kilometre, others build for as low as €18 million per kilometre.

If costs remain high because, for example, construction is over-specified, then it will take many more years before there is a Return on Investment (ROI) from building the infrastructure, regardless whether public or private investors or a combination of the two (see the next section in this paper).

#### Solutions to reduce HSR construction costs include:

- **Standardisation of technical processes and best practices** across countries, to avoid duplication and inefficiencies;
- **Use of medium-sized construction lots** allocated to specialised contractors to optimise cost and delivery time;
- **Simplification and acceleration of regulatory procedures**, including planning and permitting processes;
- **Designing HSR that is not over-specified** and sticking to the original design as much as possible in order to avoid costly changes during the course of construction;
- **Implementation of Key Performance Indicators (KPIs)** to track, signalling, electrification and other key assets and benchmark cost-efficiency across the EU rail network.

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<sup>30</sup> **European Commission**, *Joint Workshop on Reducing the Cost of High-Speed Rail Construction on the 9 European Transport Corridors*, Madrid, 20 May 2025. Available at: [transport.ec.europa.eu](https://transport.ec.europa.eu).

## Unlock the Full Potential of a Combination of Public and Private Sectors in the Financing of HSR Infrastructure

The construction of a 49,400 km high-speed rail network across Europe will require **an estimated €546 billion by 2055**, roughly €20 billion annually.

Delivering Europe's high-speed rail ambitions on time and on budget requires more than political vision, it requires pragmatic financing models. **A combination of public and private sectors** in the provision of HSR infrastructure can offer a powerful tool to combine public oversight with private sector efficiency, and access to capital.

Yet many past combinations of public and private sectors in the rail sector have **failed to deliver** due to poor design:

- Unclear risk allocation;
- Weak contractual governance;
- Non-competitive or politically driven procurement.

If Europe is to use combined public and private sectors to scale up HSR, it must learn from these mistakes and establish robust, transparent frameworks.

Within Europe, some examples of combinations of public and private sectors in the provision of HSR are already being tested:

- France's Sud Europe Atlantique (SEA), which is the South Europe–Atlantic HSR line, was financed via a concession model blending public funds with long-term private investment.
- Italy is exploring a Regulatory Asset Base (RAB) model, allowing regulated returns for efficient infrastructure investments with appropriate risk allocation. This could in future attract investment or allow partial private financing under predictable regulation.
- Italy's **Railway Fund** redirects public sector toll revenues from road transport to finance strategic rail infrastructure, sometimes combined with private capital.

Such joint-financing and regulated-return mechanisms offer credible, scalable solutions, if the proceeds are spent in the most cost-effective manner.

## Introduce Sustainable and Affordable Track Access Charges (TACs) based on high density of traffic.

Evidence from Italy and Spain shows that the full implementation of EU legislation on TACs, with levels that are affordable for operators and sustainable in the mid to long term, provides the predictability needed for the business plans of new entrants.

The new equilibrium created by market opening delivers lower unit TACs per train service, but with many more services, more trainsets in operation, more passengers on board, and ultimately higher overall TAC revenues for IMs.

- **In Italy:** liberalisation and competition, supported by a 15% reduction in TACs in 2013, along with the introduction of a new TAC calculation methodology, RFI (the infrastructure manager) was able to increase its TAC revenue from 2011 to 2019 by €200 million<sup>31</sup>.
- **In Spain:** a 25% reduction in TACs, helped to drive traffic volumes up, increasing revenue for the infrastructure manager on the competitive corridors by 148 million euros (52% more than in 2019)<sup>32</sup>.

Despite this evidence, in several countries, notably Germany, TACs remain particularly high, undermining the competitiveness of rail compared to road and air transport

TAC reductions are an important tool, not only to reduce fares and stimulate new demand and more services, but also to enhance the financial sustainability of infrastructure managers. **A shift towards pricing based on direct costs (marginal costs) to the infrastructure is crucial - without any unjustified mark-ups or premiums that the market cannot bear**

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<sup>31</sup> According to the RFI Financial Statement section “Ricavi da Servizi di infrastruttura” of 2019 (available [here](#)) and 2011 (Available [here](#)). See also Autorità di regolazione dei trasporti (ART). After 2015, ART adopted a resolution designing a new calculation approach to TACs. Please see: *Schema di Analisi di Impatto della Regolazione – Delibera n. 11/2023*, p. 70 Available [here](#).

<sup>32</sup> Comisión Nacional de los Mercados y la Competencia (CNMC). Report on the Liberalisation of Passenger Rail Transport (INF/DTSP/031/2024). CNMC. Available [here](#).

# Non-Discriminatory Financing and Increased Supply of HSR Rolling Stock

## Responsible Use of Public Funds

- Ex-ante conditions on taxpayer-backed support (EIB, CEF, green bonds): any subsidised trains must be resold or reused, not scrapped.
- Mandatory release of 2<sup>nd</sup> hand HSR trains, with independent appraisals before scrapping.

## Equal Access to Finance and Assets

- Independent operators must have the same access to EU-level financing tools as incumbents.
- Non-discriminatory access to both new & second-hand rolling stock.

## Support for Market Entry

- EU funding should cover homologation and pre-operation costs for new entrants, addressing long delays caused by obsolete national systems.
- Regulators must ensure non-discriminatory access to depots and maintenance facilities; this is essential to secure financing.

## Future-Proof and Competitive Design

- Rolling stock must be modular and interoperable— not tailor-made or with proprietary to lock out competitors.
- Encourage global participation to increase supply, stimulate innovation, and reduce costs.
- Build up a resilient supply chain: open to global innovators but anchored in European capabilities.
- Avoid dependency on a few domestic suppliers, which raises prices, cause delivery bottlenecks and reduces choice.

## Overall Goal

- A fair, diverse and resilient rolling stock ecosystem that enables new entrants to invest, innovate and compete — delivering better outcomes for passengers, taxpayers and industry alike

## Non-Discriminatory Access to Maintenance and Depot Facilities

Without fair access to such facilities, independent operators cannot run services. It can also prevent private investors being attracted to invest in an operator – if there is nowhere for the trains to get serviced and stored.

A strong independent regulatory oversight must help to ensure access to an essential facility.

This is why existing ones are an essential facility, regardless of what type of company (publicly or privately owned) they belong to. If they are publicly owned, then – as a key part of the infrastructure – they should fall under a neutral and independent governance – and be unable to discriminate in favour of certain operators.

## Introduce Transparent, Non-Discriminatory Ticketing

- **Mandatory visibility and sales** of all licensed operators on incumbent platforms.
- **Real-time, non-discriminatory data access** (timetables, prices, availability, delays, disruptions).
- **Multichannel retailing**: independent ticket vendors must be granted equal access.
- **Through-ticketing**: on multi-operator services to make it a seamless journey for customers.
- **EU-wide Missed Connection Protection (MCP)**: enabling seamless, guaranteed journeys across multiple operators.

By enforcing these principles and implementing the future SDBTR regulation, the EU can finally deliver a neutral, transparent, and passenger-driven rail ticketing system, one that promotes competition, ensures a level playing field, supports journeys on connecting operators, and drives real modal shift.

## Enhance Interoperability

Interoperability is a pillar of the Single European Railway Area (SERA). But to truly build a continental network, the EU must ensure that its high-speed rail connectivity does not stop at its own internal borders.

- **Deployment of the European Rail Traffic Management System (ERTMS)** along priority corridors to enable seamless cross-border signalling and control;
- **Mutual recognition of vehicle authorisations**, ensuring that rolling stock can cross borders without multiple, redundant approvals;
- **Cross-border staff certification**, allowing train crews to operate beyond national boundaries;
- **A common operating rule book**, making operations across borders more seamless.

To avoid perpetuating fragmentation, DG MOVE, ERA, and Europe's Rail Joint Undertaking (ERJU) must ensure that EU funding instruments are used to support open, interoperable infrastructure, not closed or protectionist systems.

## Empower Independent EU institutions and Strong Rail Regulators

- Increase **DG MOVE's rail unit staff** to match its strategic responsibilities;
- Substantially raise the **EU Agency for Railways' budget** to support certification, interoperability, and enforcement;
- Make proper **institutional resourcing** a precondition for future Connecting Europe Facility (CEF) infrastructure funding;
- Ensure consistent **monitoring of market opening**, with KPIs linked to institutional performance;
- Ensure a consistent and strong approach to **independent economic regulation**.

A competitive Single European Railway Area cannot function without empowered institutions. If aviation deserves strong governance, rail must too.

## SUMMARY

### Lower The Barriers to Entry:

- Open Access should be expanded to all HSR routes.
- Track Access Charges (TACs) reduced by 20–25% and EU funding for multi-country rolling stock compatibility to boost demand and revenue.
- Operators must have fair, non-discriminatory access to maintenance and depot facilities, while ERTMS and certification should be coordinated at EU borders.

### Encourage Private Investment:

- Level playing field must be ensured, so that private operators can access rolling stock without competing against taxpayer-backed subsidies.
- To achieve this, the EU should encourage global manufacturers to invest locally, while maintaining high EU safety and quality standards.

### Implement Transparent Ticketing for Passengers:

- Market-dominant rail ticket vendors must make available the full range of tickets from all willing rail operators
- Market-dominant rail operators must be required to provide data access – including the right to sell their tickets – to all willing ticket vendors.

### Ensure Interoperability:

- Coordinate ERTMS and certifications at EU borders and beyond, as well as having a common operating rule book for cross-border open access.

### Strengthen EU Rail Institutions:

- Increase funding for EU Commission and ERA to enforce market opening.  
**Nominate an independent EU HSR Coordinator** who is independent and neutral of any special interests, reporting into an EU institution.

By enshrining the above principles into his upcoming HSR Master Plan, EU Commissioner for Transport Apostolos Tzitzikostas will ensure better service, lower fares and higher revenues, ensuring the commercial viability of HSR.

- **ALLRAIL stands ready to support stakeholders optimise their high-speed rail efforts, both in Europe and around the world.**