

Position paper Night train services

During the last decade, European passengers faced a closure wave of night train services, but the recently increased interest for climate friendly transport modes has revived the demand for travelling long distances by train. This position paper aims to define a declaration of EPF's views concerning night train services including sleepers' carriages. Night trains services should be considered as a part of the European rail network, with an important role offering convenient alternatives to flying for long distance journeys over 600 km.

1) Improve unfair market conditions between transport modes

Long distance travel over 600 km within the EU usually means travelling through several member states. Train operators are generally facing an adverse business environment compared to air travel that currently holds a number of advantages. In addition, railway undertakings encounter complex operational conditions which are challenging business models for operating night train services.

Put an end to aviation's tax exemptions

Despite aviation's significant negative impact on climate change, national taxation on fuels in international aviation is still prohibited due to the Chicago Convention dating from 1947. In addition, EU Directive 2003/96/EC also defines that Member States shall exempt energy products supplied for air traffic from taxation. No VAT is charged either for air passengers on international flights. These tax exemptions create unfair advantages for airlines compared to other transport modes. The EU needs to act in order to stop inequitable exemptions for aviation.

Simplify the operation of international rail services

International rail operators still have to deal with a tremendous amount of different national permissions, contrasting technical standards and particular national regulations. The EU has initiated steps to facilitate cross-border services through harmonization of rules and standards, but progress is slow and needs to be accelerated. For night train operators the application of differentiated track access charges could also reduce operational costs.

2) Initial support to get started

A fundamental problem for night train operators is to secure a long-term operation, in particular when investing in new rolling stock, since sleeper carriages are primarily used for night time services.

Smart subsidies can facilitate start-up

Subsidies could preferably be applied during a transition phase in order to eliminate obstacles preventing the introduction of new entrants and new (for example, cross-border) services. A voucher subsidizing system whereby the level of subsidy is linked to the number of carried passengers could be one possible model for societal contribution. Selected Member States could also consider to contribute financially in order to bridge over current missing links, for example

the lack of night train services between Scandinavia and the continent or between central Europe and the Iberian Peninsula. Regardless of that, any form of subsidies needs to avoid outcompeting of existing commercial services.

Offer a commonly owned night train carriage pool

In 1956 EUROFIMA was founded, a rolling stock joint venture that today gathers 25 European states, financing renewals and modernization of locomotives and wagons. A development of EUROFIMA or a similar jointly owned European association would give railway undertakings better opportunities to operate sleepers through leasing contracts compared to the financial risk when investing in own rolling stock.

3) Enable regulations for price comparison of rail ticketing

A well-functioning market needs to make all competitors' offers available for customers. In the airline sector, Regulation (EC) 80/2009 on a Code of Conduct for Computerised Reservation Systems (CRSs) has played a vital role in ensuring that consumers have access to comprehensive and unbiased information on the available flights and fares available for a specific route. EPF argues that the CRS code of conduct could serve as a model for multi-modal Computerised Reservation Systems (and other online channels that enable passengers to compare and book their travel). In order to improve efficiency and facilitate conditions for new entrants in the rail market it would be crucial for European passengers and taxpayers to implement similar rules for fair comparison of rail services. In the on-going revision of the EU Rail Passengers' Rights Regulation (EC) 1371/2007, the Parliament's first reading has proposed such commitment for entities offering railway tickets, but it needs to be implemented in coming final regulation.

4) Different levels of comfort classes should be offered

In order to capture all kinds of passengers – business travellers, tourists, passengers with reduced mobility etc. – it is necessary to update the service supply for night trains to contemporary requirements. Many passengers want privacy when traveling in sleepers, and private cabins are appreciated when travelling for business reasons, with children, pets or with lots of luggage. The demand for cabins equipped with own toilet and shower has also increased, since more and more passengers compare an overnight stay with modern hotel standards. However, some passengers still want to travel under simpler conditions in couchettes and sometimes even in seating coaches.

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Annex: Excerpts from Regulation (EC) 1370/2007 on PSOs

Art. 1.1: 'Authorities may act in the field of public passenger transport to guarantee the provision of services of general interest which are among other things more numerous, safer, of a higher quality or provided at lower cost than those that market forces alone would have allowed' [and] 'compensate public service operators for costs incurred and/or grant exclusive rights in return for the discharge of public service obligations.'

Art. 1.2: 'This Regulation shall apply to the national and international operation of public passenger transport services by rail'

Art. 2a: 'Any public authority or group of public authorities of a Member State or Member States which has the power to intervene in public passenger transport in a given geographical area'
(This might be interpreted as a geographical for a line, Malmö - Brussels for example)

Art 5.4: 'In the case of a public service contract directly awarded to a small or medium-sized enterprise operating not more than 23 vehicles, these thresholds may be increased to either an average annual value estimated at less than EUR 2 000 000'

(This may make it possible to grant a direct contract to a night train subsidiary operator)

Art 9.2a: 'Member States may continue to grant aid for the transport sector pursuant to Article 73 of the Treaty which meets transport coordination needs or which represents reimbursement for the discharge of certain obligations inherent in the concept of a public service'

Art 9.2b: 'Where the purpose of the aid is to promote either research into, or development of, transport systems and technologies which are more economic for the Community in general. Such aid shall be restricted to the research and development stage and may not cover the commercial exploitation of such transport systems and technologies'.

Full document see <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32007R1370>