

Press Release

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Passenger railways call for proper compensation of public services

In a joint declaration, passenger railways are demanding adequate compensation for public services they are providing on socially desirable but unprofitable lines. The problem of under-financing of 'public service obligations' has worsened with the economic crisis, threatening the financial health of many operators, 43 chief executives and other rail representatives warn. The declaration was signed in the presence of Commission vice-president Antonio Tajani in Rome on 19 June.

The economic crisis severely affects the financial situation of European passenger railways: the growth which operators in western EU member states experienced in past years stopped, and turned into stagnation in the first four months of 2009. Passenger-kilometres of eastern European railways even declined by nearly 10% compared to the previous year, as figures from recent CER surveys show.

These alarming facts provided the background for debates of the top management of rail companies in the 'High Level Passenger Meeting', co-organised by the Community of European Railway and Infrastructure Companies (CER) and the International Union of Railways (UIC), and hosted by the Italian railways Ferrovie dello Stato (FS). Commission vice-president and transport commissioner Antonio Tajani attended the meeting and participated with former MEP Georg Jarzembowski in a panel discussion on the outlook for the industry in the coming European legislative period.

While some European railways are progressing along ambitious growth plans despite the crisis, others - mostly in the new member states - are struggling for survival due to inadequate financing of public services that make up most of their activities. Constant underfinancing and the economic crisis have significantly aggravated not only the financial situation of railways in these countries but as well that of several of their western counterparts, the chief executives note in their joint declaration.

"Passenger railways have been severely hit by the recession but have received only limited support," said Mauro Moretti, chief executive of FS, who is also chairman of CER and vice-chairman of UIC. "With the declaration, we want to draw attention to the fact that proper financing of public service obligations is essential to ensure the financial health of passenger railways - in the crisis and beyond."

The chief executives also call upon the European Union and member states not to put the railways at further disadvantage compared to other modes of transport: railways should be assisted through similar financial and regulatory measures as were taken in support of less sustainable modes of transport. This would include foremost the provision of operational cost support or preferential public credit lines for rolling stock replacement.



*The Voice
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The Community of European Railway and Infrastructure Companies (CER) brings together more than 70 European railway undertakings and infrastructure companies. CER represents the interests of its members towards the European institutions as well as other policy makers and transport actors. CER's main focus is promoting the strengthening of rail as essential to the creation of a sustainable transport system which is efficient, effective and environmentally sound. For more information, see www.cer.be

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The International Union of Railways (UIC) is the worldwide organisation for international cooperation among railways and gathers 200 members on all five continents. The UIC main missions are to promote rail transport across the world in order to cope with current challenges of mobility and sustainable development, by enhancing international cooperation between its members, building a consistent railway system and achieving projects of global dimension. For more information, see www.uic.org.