

# **Ports in the European Rail System**

**Joint Position Paper of the European Sea Ports Organisation (ESPO)**

**and the**

**European Federation of Inland Ports (EFIP)**

**2019**

## ESPO and EFIP Key Messages

### Rail legislation and ports: no 'one-size-fits-all' approach

The European rail legislation is predominantly targeted towards the national rail systems, sometimes neglecting the specifics of rail systems within European sea and inland ports. When implementing the European rail legislation, the **diversity of rail governance systems** in ports needs to be reflected to avoid a one-size-fits-all approach.

Even where port authorities are responsible for the port rail network, they differ from national rail infrastructure managers and rail service providers. Port authorities manage the rail infrastructure within the port area as one part of a broad range of tasks and services. They are responsible for the **overall development of the port ecosystem** and coordinate the operational and legislative requirements of different sectors and different modes of transport.

The set-up of rail systems in European ports varies considerably in terms of infrastructure development and management, rail operation, charging systems and contractual relations between the port authority and rail operators or undertakings.

In order to ensure a level-playing field between European ports, a **common understanding on the application of EU rail legislation** to ports by the national regulatory bodies is essential. This should, however, not lead to the prescription of one single uniform system for the management of the port rail network.

### Port rail networks at the heart of multimodality

Seaports are the gateways to Europe. As the entry and exit points of the land-based TEN-T network and transport flows, they play a **crucial role for multimodal transport and modal shift**. Inland ports constitute the intermodal nodes at the core of the European continental transport network.

European ports' efficacy relies on their ability to optimize water, road and railway transport links across the entire transport network. **Efficient rail operations and links** to and from the ports, as well as within the port, are essential to maximise the use of rail as a sustainable transport mode and to comply with the priorities set in the TEN-T legislation.

### Infrastructure charges as an important tool

European ports' ability to provide efficient and sustainable transport services for European trade relies on their capability to optimise the infrastructure and services within the port area to enable seamless connectivity between the different transport modes.

For both sea and inland ports, **port infrastructure charges constitute an important tool** to pursue and implement their economic, social and environmental strategy. The **principle of autonomous charging** has been laid down in the recently adopted Port Services Regulation (EU) 2017/352.

Following this principle and in order to incentivise the use of rail transport, port managing bodies should remain free to choose their **rail charging model**, as long as it is transparent and non-discriminatory for the rail users.

### **Improving last-mile connections and removing barriers in the internal rail market**

To enable a performing TEN-T network, rail connections from European ports to their catchment areas are crucial. A special focus should be placed on the **investment in and the development of last-mile connections**, connecting the national rail network via the **port rail network** to the private terminal sidings. The future Connecting Europe Facility (CEF II) and future CEF II calls should prioritise these last-mile connections inside and outside the port area as a priority.

For European ports, both the rail connections to the national network, as well as across borders are important for their operations. The ports depend on external authorities and stakeholders for the development and management of the rail infrastructure and services outside the port area. To **enable smooth cross-border freight transport by rail**, operational and technical barriers still need to be removed.

### **Rail freight transport as a solution to urban challenges**

Both sea and inland ports are predominantly situated in, or nearby, urban agglomerations. Freight transport by rail has a good **environmental performance** and is an **effective means to reduce road congestion** in densely populated areas. However, noise as an outstanding obstacle to broader acceptance, needs to be tackled in order to increase the utilisation of rail freight.

In order to use the full potential rail freight transport has to offer, the **balance between passenger transport and rail freight** has to be improved by increasing the allocation of high quality freight train paths to and from European ports.

## 1. Introduction

For both seaports and inland ports, the existence of adequate rail links and efficient rail operations within the port, between the port and the national rail network, and on the European rail network are of paramount importance. **Rail connections are a vital element of the multimodal logistics chain** and can also play an important role for the linkage between sea and inland ports. The success of a port is defined by its connectivity to the transport network by means of all transport modes. The significance of efficient and sustainable road alternatives has increased considerably in light of the Paris Agreement, ambitious EU decarbonisation targets and rising road congestion.

European ports are often located in urban centers with high levels of congestion. As nodes of transport, sea and inland ports utilise all available transport modes. **Efficient connections between the port area and the main rail network are essential** to maximise the potential of rail freight transport. However, the rail infrastructure and path allocation on the national network is outside the port authorities' competence. Close cooperation of all actors involved is necessary to ensure the seamless connectivity between the port rail network and the national network, especially for the last-mile connection.

**European seaports** are the Unions gateways to external trade: 74% of goods imported in and exported from the Union transit through its seaports. Global seaborne trade reached 10.7 bn tons in 2017 and maritime transport volumes are projected to grow by 3.8% annually between 2018 and 2023<sup>1</sup>. European Seaports are the entry and exit points of these transport flows and constitute the strategic nodes connecting maritime transport with all other transport modes. In order to be able to handle the growing volumes, ports need to utilise the full capacity of their hinterland, including road, rail and inland waterways.

Not only are the cargo volumes growing and expected to continue growing, but the growing size of vessels intensifies the pressure on European seaports and their hinterland connections even further. For seaports, the increasing ship size results in fewer port calls with higher volumes, impacting both infrastructure and operations substantially. These cargo concentrations require the infrastructure to handle peak volumes in a short amount of time.

To face the growing and more concentrated cargo volumes, seaports are also increasingly looking beyond their own infrastructure and facilities and liaise with intermodal inland terminals in their hinterland to enable a de/re-consolidation of cargo flows. Moreover, seaports have evolved from their traditional role of loading, unloading and transporting maritime cargo to the hinterland to clusters of industry, logistics, energy and blue economy.

**European inland ports** constitute the intermodal logistical hubs at the core of the European continental transport network. Their role revolves around connecting seaports and interregional freight continental transport. Their efficacy relies on their ability to optimize water, road and railway transport links. It is this intermodal character that attracts entrepreneurs, business and industry catering to their transport needs. With the growing urban challenges regarding congestion, air-quality and business development, inland ports look to further consolidate the intermodal character.

Given their role, inland ports are an important element for the EU's trade competitiveness and the reliability of the supply chain. Inland waterways form a 20,000 km congestion-free network of around 250 ports. Transport by inland waterways plays an important role in reducing congestion and

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<sup>1</sup> UNCTAD Review of Maritime Transport 2018

CO2 emissions, especially in densely populated urban areas. Inland waterways are geographically limited to natural bodies of water. Combining the advantages of inland waterways with those of rail has been an essential objective of European inland ports and will continue that way. With climate change challenges rising and increased periods of low water level, rail connections offer an alternative solution during these periods.

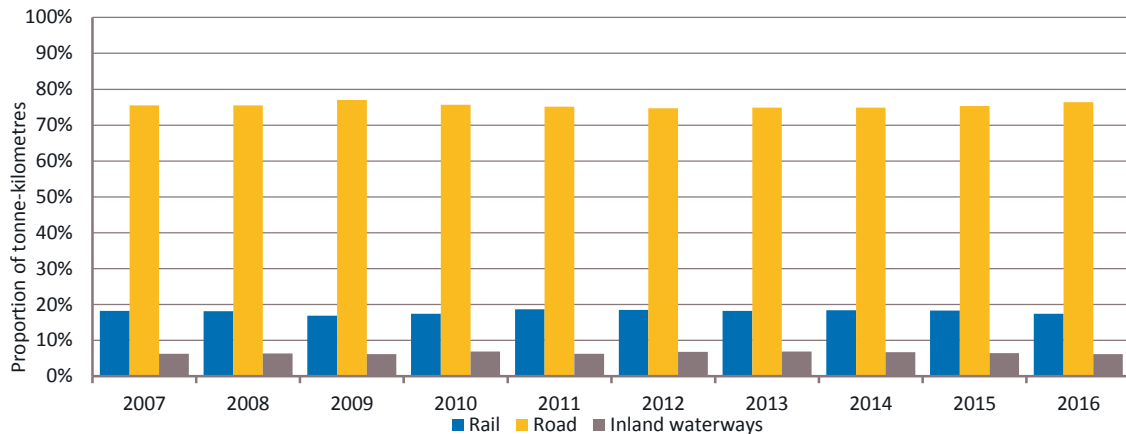
Rail freight is of major importance for European sea and inland ports for many reasons:

- On the one hand, **European legislation** requires sea and inland ports to be linked to the rail network. For seaports, the **connection of TEN-T ports to the TEN-T rail network** is mandated by Regulation (EU) 1315/2013, Article 41(2), which sets out that seaports shall be connected with the railway, road and, where possible, inland waterway transport infrastructure of the trans-European transport network by 31 December 2030. While the Commission identified that all seaports of the Core and Comprehensive Network are already connected to the TEN-T rail network<sup>2</sup>, major improvements remain necessary to ensure efficient and sustainable rail transport into the hinterland. Article 15 requires Member states to ensure that inland ports should be connected with road and rail infrastructure. Even though, the majority of inland ports are connected to the rail network there are still ports that are missing rail connections due to lack of investment, political disinterest or other local issues.
- On the other hand, **European ports** often employ **strategies to increase the modal split of rail** on their own initiative. As most port authorities assume both public and economic responsibilities, they actively address societal challenges beyond the port area. Sea and inland ports are frequently located in urban, densely populated areas where congestion and air pollution are substantial challenges and where they need to work closely with the surrounding community. In some cases ports are not permitted to increase the strain on the urban node's road network and are thus requested to limit the amount of freight transported by road when applying for a capacity expansion. Increasing the rail freight share has therefore become a necessity for many European ports. At the same time the expansion of the necessary rail facilities can be a challenge when rail projects are competing against urban development projects for scarce space.
- In addition, **modal split targets** have been put forward in the **European Commission's** Transport White Paper from 2011. It sets out the target to shift 30% of road freight transport over 300 km to other modes such as rail or waterborne transport by 2030, and more than 50% by 2050. With a current modal split of 17.4% for rail, and 6.2%<sup>3</sup> for inland waterways, the target is far from being accomplished. European sea and inland ports consider the focus on the long distance transport as insufficient. Especially for distances below 300 km, freight shipments coming in or out of European ports by rail or barge are an important means to reduce congestion and can play an essential role in urban freight logistics.

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<sup>2</sup> European Commission. Delivering TEN-T. Facts & Figures September 2017

<sup>3</sup> Eurostat, Modal split of freight transport 2016



Source: COM(2019) 51 - Sixth Rail Market Monitoring Report (RMMS), Eurostat

**Decarbonisation** of the transport sector is one of the pillars of the Commission’s long-term strategy for a climate neutral economy by 2050. Transport represents almost a quarter of Europe's greenhouse gas emissions and is the main cause of air pollution in cities. The European Strategy for low-emission mobility<sup>4</sup> sets out a clear ambition: by 2050, greenhouse gas emissions from transport will need to be at least 60% lower than in 1990 and be firmly on the path towards zero. An increased share of rail freight transport as a more sustainable transport mode is in that respect indispensable, considering that railways contribute by only 0.5% to the total transport CO2 emissions in the EU.<sup>5</sup>

## 2. Railway governance inside European Ports: A complex and diverse picture

European ports vary substantially in terms of the **size of the rail networks** within the port. While the largest ports can have more than 1,000 km of rail tracks, the smaller ones only feature a few kilometers or even none at all.

In addition, the **organisation of rail infrastructure development and management** differs considerably from port to port: Some ports invest in and manage the infrastructure, allocate train paths and are involved in operations, other ports are only responsible for the overall coordination of moving the cargo efficiently in and out of the port area and do not have any contractual relations with railway undertakings.

European port authorities are concerned with rail matters to varying degrees depending on the rail system in the relevant port, but it is important to note that overall the port authority’s core task is the organisation of cargo-related infrastructure services rather than the provision of train paths.

### Infrastructure management

In some Member States, the **national rail infrastructure manager** is responsible for the rail infrastructure within the sea and inland ports. The degree of the national infrastructure managers’ responsibility for the construction, maintenance and management of the rail infrastructure and traffic management of the rail operations varies and can reach from **sole responsibility** to systems of

<sup>4</sup> COM(2016) 501

<sup>5</sup> [https://ec.europa.eu/transport/facts-fundings/statistics/pocketbook-2018\\_en](https://ec.europa.eu/transport/facts-fundings/statistics/pocketbook-2018_en)

**divided responsibilities** with the port authority. In yet another set-up, the **port authority** is solely responsible for all of the above mentioned tasks.

**Geographically divided systems**, where the national infrastructure manager is responsible for part of the infrastructure within the port and the port authority is responsible for another part, also exist and increase the level of complexity. Given the complex management structures, a close cooperation between the port authority and the rail infrastructure manager is indispensable for efficient port operations and traffic management.

## Charging

Where the **national rail infrastructure manager is responsible** for the management of the infrastructure within the port, the **charges are determined within the national framework** and are often not specifically adapted to the port rail system.

Where the **port authority is responsible** for the rail infrastructure, different national charging models exist. In some ports, rail undertakings or rail operators are **charged separately for using the rail infrastructure**. In other ports no separate charge is levied for the use of rail infrastructure, but is included in the **overall port infrastructure charge** and considered as part of the cost for the use of port infrastructure in general. Covering the cost of the rail infrastructure through the infrastructure charge is an important tool for port authorities to actively promote modal shift in the port and to make rail freight more competitive.

## Rail operations

Concerning rail operations and rail-related services the picture shows a similar degree of complexity. Some port authorities do not act as a rail operator and do not offer any rail-related services. Other port authorities are active as rail operator and/or offer rail-related services such as the handling of requests for infrastructure capacity, train control including signalling, maintenance of wagons and/or the provision of IT-systems.

## Contractual Relations

These different systems also lead to different contractual relations between the port authority and the rail operators and/or rail undertakings. Port authorities have either contractual relations with one rail operator and/or undertaking, with several rail operators and/or undertakings, or no contractual relations at all. If there is no contract between the port authority and the rail operator or undertaking, the contractual relations exist directly between the shipper, the railway undertaking or railway operator, and possibly the terminal, or a private service facility operator, but without formally involving the port authority.

Even in the cases where port authorities are responsible for the port rail, examples prove that the port authority does not necessarily have contractual relations with the rail undertaking and/or operator.

### 3. European rail legislation from a port's perspective

#### TEN-T and port rail networks

The TEN-T network as defined in 2013<sup>6</sup> establishes a core and a comprehensive network, consisting of the most important transport nodes and the connections between these nodes. The network includes 104 core maritime ports and 225 comprehensive maritime ports, as well as 88 core and 166 comprehensive inland ports, which have been identified as strategic nodes.

The port rail network is an integral part of the infrastructure within the port area and is essential for the ports' connectivity and operations. Therefore, European ports stress the importance of **TEN-T ports' rail infrastructure as an integral part of the TEN-T rail network.**

In terms of European legislation on rail infrastructure, Article 2(4) of Directive (EU) 2012/34 allows Member States to exclude local railway infrastructures which do not have any strategic importance for the functioning of the rail market from certain provisions of the Directive.

European ports are concerned that the categorization of ports' rail infrastructure as "strategic" or "regional/local" creates a parallel system of classifying European ports' rail networks. Not only would a port be identified as Core or Comprehensive, but an additional layer of "strategic" or "regional/local" could be added, irrelevant of the former status.

- **ESPO and EFIP believe that the TEN-T guidelines should remain the primary tool for determining the ports' importance and relevance in terms of EU legislation. In this regard, TEN-T ports' rail infrastructure has to be considered as an integral part of the TEN-T rail network.**

#### The European rail network for competitive freight

The international rail corridors for a European rail network for competitive freight set up under the Regulation (EU) 913/2010 of the European Parliament and of the Council requests adequate capacity and priority for freight trains in line with market needs, as well as an improved co-operation between infrastructure managers on key aspects such as allocation of paths, deployment of interoperable systems and infrastructure development.

The core network corridors of the TEN-T networks are designed in line with the rail freight corridors (RFCs). European ports identified on the TEN-T corridors are therefore also connected to the RFCs.

- **The coherence between TEN-T core corridors and RFCs is crucial for European ports as they depend on allocation of high quality and priority train paths to freight in order to further develop their rail connectivity.**

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<sup>6</sup> REGULATION (EU) No 1315/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision (EU) No 661/2010



## The Port Rail Network as a complex Service Facility

Directive (EU) 2012/34 defines rail service facilities as ‘the installation, including ground area, building and equipment, which has been specially arranged, as a whole or in part, to allow the supply of one or more services referred to in points 2 to 4 of Annex II’. According to Annex II, **maritime and inland port facilities which are linked to rail activities** are defined as such a service facility. However, port railway infrastructure is embedded within port ecosystems, which leads in many cases to the situation that the **complex service facility** “port railway” comprises of several other service facilities listed in Annex II (f.e. shunting facilities, (un)loading rail terminal, etc.).

Both sea and inland ports feature port rail systems where either a **rail infrastructure manager**<sup>7</sup> as defined by Directive (EU) 2012/34 in Article 3(2), or a **service facility operator**<sup>8</sup> as defined in Article 3(12) is responsible for the port rail network. Given the significant variations and complexity of rail systems within European ports, it is impossible to apply one single definition to all systems.

The differences in definition could lead to different legislative frameworks in terms of **investment policy**. The General Block Exemption Regulation on aid to port infrastructure<sup>9</sup> covers access infrastructure, regardless of the nature of its manager. However, Directive (EU) 2012/34, Article states only that Member States may provide the infrastructure manager with financing.

The Directive on **railway safety**<sup>10</sup> is applicable to infrastructure managers only and is drafted predominantly for the main national rail network. European port rail networks constitute short links and specific types of trains and cargo and therefore do not have the same safety requirements as train circulation on the main network.

Operating conditions within the port area differ substantially from those prevailing on the main national rail network. In contrast to the national rail network, rail infrastructure in ports is rarely used for passenger traffic and the speed of freight trains is widely restricted, generally to much lower limits than on the main network. These conditions have to be considered when setting technical and safety requirements for the port rail network.

- **ESPO and EFIP believe that differences in the definition of the body responsible for the port rail network must not lead to a discriminatory investment framework or higher administrative burden in terms of technical and safety requirements.**

## European Rail Facilities Portal

The Commission is supporting the set-up of a European Rail Facilities Portal, which fulfils the service facility operator’s requirement to publish relevant access information including charges, and serves as a market tool at the same time. While such a portal bears potential added-value, several issues

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<sup>7</sup> Infrastructure manager means ‘any body or firm responsible in particular for establishing, managing and maintaining railway infrastructure, including traffic management and control-command and signalling; the functions of the infrastructure manager on a network or part of a network may be allocated to different bodies or firms’.

<sup>8</sup> Operator of a service facility means ‘any public or private entity responsible for managing one or more service facilities or supplying one or more services to railway undertakings referred to in points 2 to 4 of Annex II’.

<sup>9</sup> Regulation (EU) 2017/1084

<sup>10</sup> Directive (EU) 2016/798

remain to be addressed.

Regulation (EU) 2017/2177 on the access to service facilities and rail-related services sets out that the service facility operator has to publish the service facility description either on their web portal or a common web portal with a link in the network statement or directly in the network statement.

- **European ports believe that a European Rail Facilities Portal must not lead to increased administrative burden or costs for European ports as service facility operators compared to other publication methods.**

### **Rail infrastructure charges**

Directive (EU) 2012/34 and Commission Implementing Regulation (EU) 2015/909 on infrastructure and service charges and calculation of costs is targeted towards the main national network and to infrastructure managers whose core function and responsibility is the rail infrastructure. Rail infrastructure **charging principles** for the use of the national rail infrastructure or for private rail service facilities **do not take into account the special character of the port rail network managed by the port authority.**

Port authorities as rail infrastructure managers or service facility operators have to operate in a considerably more complex system and fulfil a broader task spectrum. Most ports have both **public and economic responsibilities**. Port managing bodies have evolved from their traditional role of administering port land, enabling cargo transport and regulating nautical safety. Both sea and inland ports have taken on a multitude of tasks, in order to add value to the wider port community, to create efficient logistics chain, to attract and foster business in general and to live up to the societal and environmental requirements. **Port rail infrastructure management** is in that respect **part of the port authority's strategy** or policy to meet targets on multimodality.

Ports are strategic nodes for multimodality and often operate in close proximity to, or within urban centres. Increasing congestion, air quality problems and the decarbonisation agenda demand that port authorities implement low emission solutions and promote modal shift. In order to incentivise the use of rail, some ports do not separately charge users of the rail infrastructure, as they see it as part of the general port infrastructure and cover the costs with the **overall port infrastructure charge**. European ports are key players for an effective modal shift in Europe and need to be able to draw on all available tools to facilitate road alternatives and to tackle the urban challenges.

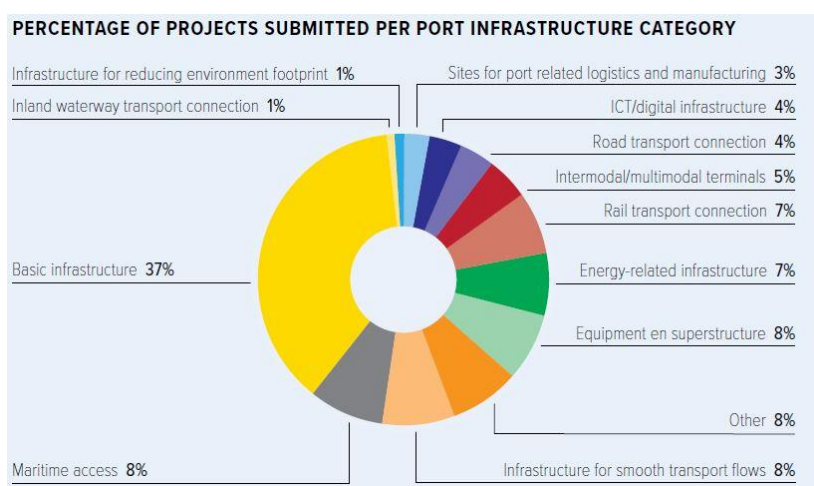
The Port Services Regulation (EU) 2017/352 lays down the **principle of autonomous charging for European seaports**. According to the regulation, the structure and the level of port infrastructure charges shall be determined according to the port's own commercial strategy and investment plans, and shall comply with competition rules. The infrastructure charges may vary, in accordance with the port's own economic strategy and its spatial planning policy, in relation to, inter alia, certain categories of users, or in order to promote a more efficient use of the port infrastructure, short sea shipping or a high environmental performance, energy efficiency or carbon efficiency of transport operations.

- **ESPO and EFIP strongly believe that the principle of autonomous charging is an essential element for European port authorities to fulfil their public and private responsibilities and to pursue a coherent strategy. Thus, the port infrastructure charges may incorporate different components and considerations. Charging systems, where the charge for rail**

**infrastructure is included in the port infrastructure charge in order to promote modal shift, should not be put into question, as long as the charging is transparent and non-discriminatory for the rail users and in compliance with the Port Services Regulation.**

### Investment needs and funding opportunities

In 2018, ESPO published the study “The Infrastructure Investment needs and Financing Challenge of European Ports”, which analysed the seaports’ investment needs for the coming ten years. The study revealed that European seaports face substantial investment needs linked to rail connections. Adding the different investment categories “Infrastructure for smooth transport flows within the port area<sup>11</sup>”, “Rail transport connection<sup>12</sup>” and “Intermodal/Multimodal terminals<sup>13</sup>” together, the **rail-related investment needs account for up to 20% of the ports’ total needs.**



Source: ESPO Study 2018

The study further evaluates the amount of CEF co-funding that port managing bodies have been able to secure between 2014-2017. It concludes that European seaports only received 4% of the overall CEF budget. This share does not reflect the important role of ports as **primary nodes of the TEN-T network.**

Port railway infrastructure connects the private terminal sidings with the national railway network. The **port railway network**, including the connections to the national rail network outside the port area, is a **crucial element for multimodal connectivity**. Similar to cross-border infrastructure links, these last-mile connections involve multiple stakeholders and interests and thus often do not receive the highest priority.

<sup>11</sup> Inland waterway, road, and rail infrastructure inside the port, as well as parking lots. All such infrastructure is required for smooth transport flows between maritime terminals, from maritime terminals to port users located in the port and from maritime terminals to rail or inland waterway terminals from which the hinterland of a port is served.

<sup>12</sup> This category of port infrastructure consists of rail infrastructure from maritime terminals in ports to the main (TEN-T) rail network. Such infrastructure, both tracks and facilities, should enable direct (or easy) transfer from trains to ships and vice versa and facilitate rail operations to/from the hinterland. A part of the rail link may be outside the defined port area.

<sup>13</sup> The intermodal terminals and dry ports can be located either inside or outside the port area. In the same logic as applied above, this category includes the basic infrastructure, i.e. land and transport infrastructure, but not the equipment and superstructures.

- **ESPO and EFIP call for a prioritisation in future CEF calls of infrastructure projects that aim to eliminate last-mile bottlenecks, and thus to enable improved multimodal connections and the modal shift towards more sustainable transport modes.**

## 4. Ports as an element of the European Rail System

European ports are strategic nodes of the transport network and are crucial links within the logistics chain. As such, not only the direct link to the main rail network, but also efficient cross-border rail connections are of substantial importance for European ports, as they often serve a hinterland or catchment area which goes far beyond their local and national borders.

### Developing last-mile connections

As stated above, the **port rail network constitutes the connection between the private sidings on the quay side and the national rail network**. Besides the infrastructure development of the port rail network and the connecting infrastructure outside the port area, efficient rail operations are equally important for the ports' connectivity.

Where the national rail infrastructure manager is not the rail infrastructure manager within the port area, different players are involved in **enabling a seamless connection between the port rail network and the national network**. The port authority is usually not responsible for the last-mile connection outside the port area and thus depends on other stakeholders (mostly public authorities or enterprises) for linking the ports' rail network with the national network. That part of the last-mile connection is often characterised by old infrastructure and outdated equipment. The limited infrastructure creates obstacles for rail operations and can indirectly restrict the access to the port area.

Directive (EU) 2012/34 grants railway undertakings **non-discriminatory access** to railway infrastructure and service facilities. This provision will prevent the dependence on a single railway undertaking for the connection between the rail terminal with the port area, or the port area with the national network. It is important, that the national regulatory bodies develop a common understanding on measures to ensure the non-discriminatory access.

- **ESPO and EFIP believe that a close cooperation between the port authorities and the competent authorities, or responsible companies is essential for improving the link between the ports and the national network and for increasing the ports' modal split in favour of rail freight.**

### Digitalisation

Across the entire logistics network, a digital innovation wave is changing previous practices. Sea and inland ports are ideally positioned to play a **key role in the digitalisation of the entire supply chain**. Within ports, new systems and innovations are being tested and implemented aiming at more efficient, more sustainable and safer transport operations. Digital solutions will maximise the potential of the existing infrastructure. Data sharing and real-time information enable better capacity planning, more efficient traffic flows and transshipments. Port initiatives aim at creating efficiency gains by setting up digital solutions, which include all relevant players in the port ecosystem. As hubs

of transport, European ports depend on data-sharing to enable to best possible connectivity between the different transport modes.

The **swift implementation of ERTMS** across the rail network is crucial for interoperability and efficient rail services. The trackside components are equally important on the port rail networks than on the national network.

- **ESPO and EFIP call for a prioritization of intermodal digitalisation to enable the most efficient use of the transport network’s capacity and foster safe and sustainable transport operations. When equipping rail infrastructure with ERTMS, Member States should not only consider the national network, but equally its branches including port rail networks.**

### Rail noise emissions

Both sea and inland ports are often located in close proximity of urban centers. Using rail freight to transport the cargo out of the port area often requires passing residential areas. In this regard, **rail noise emissions are still a main challenge**. In order to increase the acceptance of freight trains, their noise level has to be considerably decreased, thus avoiding speed restrictions or restrictions in terms of operating time. To avoid uncoordinated national, regional or local unilateral actions and restrictions, efforts should be pursued on Union level. Many freight wagons run across borders and any attempt to combat rail noise at source needs to recognise this.

- **ESPO and EFIP encourage all measures to mitigate rail noise at the source and support initiatives on Union-level.**

### The significance of rail freight

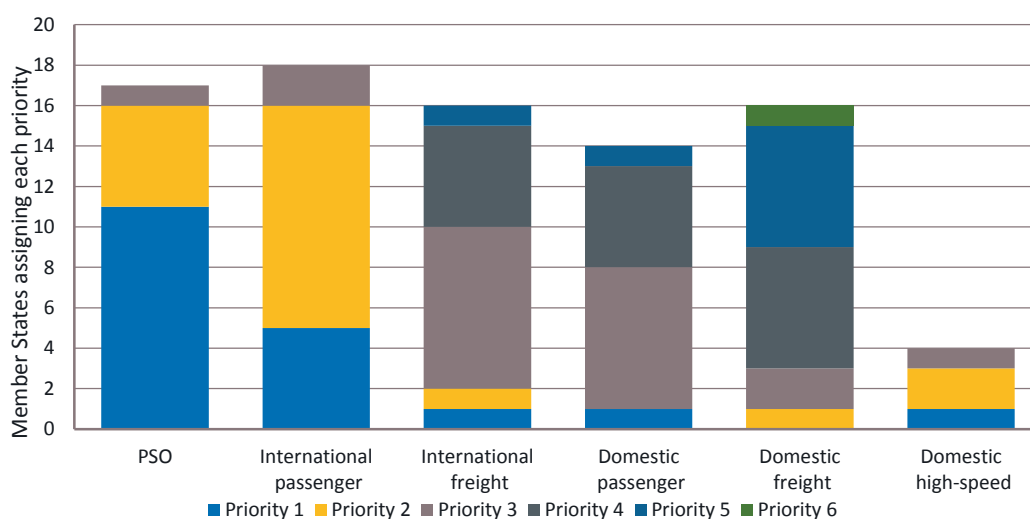


Figure 56: Principal types of services prioritised by infrastructure managers, 2016

Source: RMMS, 2018.

European rail freight often competes with passenger trains for path allocations on the network. While passenger volumes have increased significantly between 2011 and 2016, freight volumes

remained volatile and led to a loss of modal share in comparison with road transport in 2016.<sup>14</sup> As demonstrated in the graph, infrastructure managers give international rail freight mostly only the third or fourth priority and domestic rail freight rather the fourth and fifth priority. Ports, which are in most cases located in, or in close proximity to, urban centers depend on **a higher prioritisation of the rail freight dimension.**

Moreover, increased railway capacity for freight is also needed as a contingency measure for periods of low water levels, to make up for the reduced capacity of inland waterways.

- **In order to promote modal shift and to reduce road congestion, ESPO and EFIP call for a higher prioritisation of freight in the capacity planning and an improvement in the efficient use of the existing rail infrastructure.**

### **Using rail for short distance journeys**

The transport from, to and especially within the port is not always a long distance transport. Using rail for short distance freight transport is even more challenging than for longer journeys. Up until now, rail has not become a viable alternative for short distance transport. Compared to the more flexible inland waterway transport and road, train paths for rail shuttles often have to be reserved one year in advance. Especially for European ports, short distance rail freight is an important means to connect terminals and/or industrial areas within the port, to link the port area to dry ports in the region, as well as a solution to decongest the transport network in and around the ports. Utilising the potential of short distance rail freight more will increase the efficient use of existing infrastructure.

- **ESPO and EFIP stress the need to improve the competitiveness of short distance rail freight and to incentivise its further uptake.**

### **Removing barriers for cross-border rail operations within Europe...**

ESPO and EFIP are concerned about the persisting national approach on rail. The slow progress on implementation of ERTMS to improve the **technical interoperability** impedes the smooth functioning of the railway market and the efficient cargo flow by rail from ports to their European hinterland or catchment area. Not only technical issues, such as differences in traction energy, train length, train controlling systems, rolling stock, operational rules and train crew certification need to be addressed, but **cross-border cooperation** needs to be strengthened in other dimensions, as well. Infrastructure managers should exchange cross-border information, to facilitate seamless rail operations.

- **To this end, ESPO and EFIP call for a prompt implementation of the technical pillar of the Fourth Railway Package and better cooperation between infrastructure managers to facilitate cross-border traffic.**

### **...And beyond**

Moreover, European railway corridors do not stop at EU borders. As a consequence, European railway policy should not only aim for an EU approach but also for a common approach that goes

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<sup>14</sup> COM(2019) 51 Sixth report on monitoring development of the rail market

beyond these borders.

Under the **Chinese Belt and Road initiative (BRI)** rail connections are being constructed and improved across Central Asia, linking Europe and China directly. The resulting network utilises ports as central multimodal nodes. From these nodes, direct connections to and from China have formed. For maritime freight, it is estimated that the total westbound and eastbound trade flows between Far East and the EU were just over 16 million TEUs in 2016<sup>15</sup>, compared to 104.500 TEUs<sup>16</sup> transported the same year by rail via the Northern route. While the rail traffic volumes remain very modest compared to the maritime volumes, the rail traffic volumes are currently growing and can **complement the maritime links**. Inland ports are ideally placed as inland hubs to play a role in this overland connectivity with Asia.

**European seaports** consider the connections between Europe and Asia by rail as a complementary means of transport next to the maritime route. Given the **economies of scale in maritime transport**, European seaports are convinced that transport by sea will remain the dominant transport mode, complemented by rail.

**European inland ports** view BRI as an opportunity to develop new business opportunities. Given the role of inland ports as **logistical hubs connecting seaports and interregional cargo transport**, BRI is a natural extension of that role. Products transported by rail between Asia and Europe include an increasing amount of consumer goods. Due to the growth in e-commerce, postal items transported by train are expected to grow in the years to come. European inland ports believe this trend will continue.

While BRI offers ports opportunities to further expand their rail network and commercial activities, different operational and governance barriers such as modernization of infrastructure, differences in gauges, differences in train lengths, support for investments from the respective governments have to be tackled to be successful.

The European Commission and China have decided to jointly carry out a study on the *“Sustainable Railway- based Comprehensive Transport Corridors between Europe and China”*. The study aims at identifying corridors between (and not including) the EU’s TEN-T network and China. For European Ports it is important that the study or its outcome does not change the current TEN-T network. The study should be carried out under the highest degree of transparency and with involvement of European ports in the expert group.

- **ESPO and EFIP believe that BRI, complementary to the maritime link, constitutes an opportunity for European Ports to further expand their rail activities.**

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<sup>15</sup> [http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/602014/IPOL\\_BRI\(2018\)602014\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/602014/IPOL_BRI(2018)602014_EN.pdf)

<sup>16</sup> <https://www.railfreight.com/specials/2018/12/24/eurasian-rail-traffic-in-2018-heading-to-a-million-teus/> and [http://www.unece.org/fileadmin/DAM/trans/doc/2019/wp5eatl/EATL\\_phase3.pdf](http://www.unece.org/fileadmin/DAM/trans/doc/2019/wp5eatl/EATL_phase3.pdf)

## 5. From policy making to implementation

Over the last couple of years, the EU has substantially reviewed and amended European rail legislation. With the adoption of the Fourth Railway Package and the Recast of the First Railway Package, as well as its secondary legislation, the focus has shifted from policy making to implementation.

While the framework does not specifically address the circumstances of rail systems in ports, port authorities are still bound by the European rail rules and have to operate within the given framework. As demonstrated above, rail systems in European ports take substantially different organisation models and cannot be classified in one single way. The implementation of the current EU legislative rail framework, should recognise that **port authorities manage a complex web of transport, logistics, industry, energy, blue growth and community interests** and rail management is generally not the core task.

The rail links to and from the port area should be optimised in view of guaranteeing the non-discriminatory access for all railway undertakings to the port area. Improving these links to enable efficient cargo flows should be seen as an important element of the completion of the TEN-T network.

Rail charging systems should be transparent and non-discriminatory for the rail user. This should not prevent, in analogy with the principle of charging autonomy laid down in the Port Services Regulation, integrated charging systems at port level. European port authorities need to be able to use **charging policy as a tool to fulfil their role as a community manager** with both public and commercial responsibilities. As such, modal shift is a major concern of many port authorities and the charging system is one of their main tools to promote the uptake of alternative environmentally friendly transport modes.

Efficient **rail connections going beyond local and national borders** are crucial for European ports. To reach the full potential of international rail freight, and to offer a competitive road alternative, much effort is needed to break down technical, operational and regulatory barriers for cross-border transport.