

1000 Perpignan-Rungis in 2050!

ENSEMBLE
POUR
LE FRET

CGT'S PROPOSALS FOR THE RAILWAYS

PLAN OF
DEVELOPMENT
FOR THE TRANSPORT OF SNCF

September 2020



Breaking the political deadlock!

Rail freight has been promised for 20 years. Stimulus plans have followed one another (2003, 2007, 2009, 2011, 2016) but they were all based on a liberal public policy (deregulation, lower costs) largely inspired by the road mode. Because of the specific characteristics of rail transport, this public action proved to be totally sterile.

From 2002 to 2018, the volumes transported by train fell from 50 billion tons.km (GTK) to only 33.

For each ton abandoned or lost by the SNCF, half went directly to the road. The weakening of the public rail freight service has therefore not been compensated by the market and has not been useful to the community!

The plan launched by the Government in September 2020 is once again based on a liberal strategy: an increase in activity subsidies (lower tolls, support for single wagons, etc.), a requirement to lower SNCF costs, and a few technical development projects with limited scope, such as an additional rail freeway. There is nothing new. This plan is even much more modest than its predecessors (€7 billion posted for the 2011 "National Commitment for Rail Freight" for example).

These measures, outdated, can in no way ensure the development of freight transport by train.

On the contrary, the CGT proposes 13 breaks with all past plans to really get out of the impasse of the all-roads.



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13 REVOLUTIONS TO DEVELOP FREIGHT

1. PUBLIC ACTION ON NEGATIVE EXTERNALITIES

Since it is now clearly identified that transport produces nuisances (congestion, accidents, and pollution), socializing its cost should not be an incentive to ignore them (see p. 15).

A genuine prevention policy must be put in place by the public authorities so as not to encourage the development of the modes that are responsible for these nuisances, but rather to favor the more respectful modes. This can be done through tax decisions, but also through regulatory acts.

For example, in response to the problem of road congestion, the government could implement a traffic ban on the most sensitive time slots. As a result, road freight transport would contribute less to this externality, which would be dissuasively integrated into logistics chains to the benefit of modes not subject to this constraint.

Similarly, the payment of the carbon cost of transport, in a fiscal form to be defined, must be debated again and validated rapidly.

The CGT proposes that the government should take preventive measures for each negative externality of transport in order to reduce its impact and help redirect flows to the most virtuous modes.

2. A POLICY OBJECTIVE OF 25% MODAL SHARE BY 2050, PHASED AND MONITORED

In its liberal logic, the government does not set any modal shift targets because it considers the market to be the only effective regulator of the economy, including for transport modes. Under current conditions, this leads to a hegemony of the road mode on criteria related solely to short-term profitability. This is completely at odds with the needs of the population.

Political arbitration is therefore required over priorities: profit rate or environment and public health.

For the CGT, the priority must be to develop the most environmentally friendly modes of transport.

However, since this is contrary to the dynamics caused by market rules, strong public action is needed to redirect the situation.

The CGT proposes a target of a 25% modal share for rail by 2050, which would seriously limit the increase in the number of heavy goods vehicles. With the development of less polluting motorizations, this would lead to a strong reduction in the carbon footprint of freight transport in our country.

The ambition of this modal shift must be affirmed, but it is not enough.

It also requires a precise phasing based on what can be achieved immediately from existing facilities, and on the launch of projects (investments, legal changes, etc.) to prepare the next phases.



Means must be devoted to the different phases, and must be protected.

A transparent monitoring system must be set up, and corrective action taken if necessary, in which the trade unions must be involved.

The CGT proposes the following phases:

- **Reconstitution** (2021-2030) : the objective is to recover the volume of the year 2000 (55 billion GTK) by reactivating and regenerating most of the existing installations, by rebuilding the workforce and adapted production organizations.
- **Acceleration** (2031-2040) : with the completion of the projects launched in the previous phase (infrastructures, new equipment, etc.), a massive increase in volumes through the creation of numerous new services can be organized (from 55 to 110 GTK).
- **Consolidation** (2041-2050) : the development dynamic will provide new resources and will make it possible to reinforce the flows on the services created previously (increase from 110 to 144 GTK).

The CGT demands dedicated subsidies (fraction of the TICPE, contribution of private highways ...) and sanctuarized in a railway programming budget 2021-2050.

The railroad bears heavy fixed costs. It achieves its economic efficiency only by amortizing them over large volumes, which will not be immediately realized. It is therefore necessary to agree to heavily subsidize the activity in the early phases. Priority must be given to capturing volumes, and not to immediate profitability.

3. A MASSIVE COMMITMENT OF THE PUBLIC COMPANY, PROTECTED FROM THE VAGARIES AND SHORT TERMISM OF THE MARKET

For a rail traffic to be launched, it is necessary to link it most of the time to other traffic to massify the flows and fill the train. It is also necessary to fill the train when it returns to its point of origin.

The logistics chain cannot be divided into independent segments. This is partly what has killed the Fret SNCF in recent years, because the profitability of a train is considered in isolation from the rest of the business. However, its abolition has a cascading effect on other trains, whose economic equilibrium is in turn upset. This also explains the destructive effect of competition, since a lost market can lead to the elimination of other traffic.

Furthermore, for logistics companies to be interested in rail, the number of service points must be large enough to enable them to find solutions to all their needs. This is the network effect. Here again, removing a main freight station or branch line that is not "profitable" can therefore lead to the loss of other traffic and a loss of attractiveness of the mode.

With its revival, the government is opting for subsidies and pressure to increase productivity in a deregulated competitive system. This is a liberal policy.



It amounts to writing a blank check with no guarantee of results. The first wave of 90 million tolls in 2016 had no effect on creating new traffic, or even on increasing the volume of existing traffic. Astronomical subsidies would probably be needed to whet the appetite of logisticians. And this does not solve the problem of the logistics chain and the consistency of the network.

In order to redirect goods onto trains, massive investments must first be made in shunting yards and tracks, in rolling stock (locomotives and wagons), in order to offer transport solutions.

This is what will make it possible to capture the flows, then saturate the production tool and achieve economic balance.

The question of financing the investments needed to network the territory and develop production capacity is crucial. All the more so as the sums to be invested are considerable in the rail sector.

A study by Fer de France shows that "the players have difficulty projecting themselves into a twenty-year horizon". They are therefore unable to envisage the amortization of these investments, which must necessarily be thought out over a long period of time.

This is the role of a public company.

The SNCF must stop destroying its production tool.

The CGT proposes that an investment plan for rolling stock and maintenance capacities be launched in order to anticipate needs linked to volume development objectives.

A job creation plan must also be launched, not only to take on the increases in activity, but also to organize the re-internalization of workloads, which is necessary for a better control of the production tool.

As for the State, it must allow the public company to work over the long term, thus protecting the services to amortize investments.

The CGT proposes that all new rail links created to capture new flows of goods be subject to a "direct award" (the term of the 4th European railway package, which provides for this kind of exception to competition) to the SNCF for a period of 40 years.

In other words, on a given type of merchandise or a given line where Freight is not currently operated, the SNCF would have the mission to develop it and would have a concession giving it an operating monopoly for this purpose.

For example, on the Perpignan-Rungis line, in order to relaunch the "primeurs" train, the SNCF has to invest 15 to 20 million euros in new equipment. The need is stable, but contracts are volatile and can change from one company to another in 3 or 4 years. This explains why none of them are making the investments to relaunch the train. Thanks to this 40-year concession, the SNCF public company would have the visibility to do so.

Finally, the regulatory conditions for production efficiency must again be met.

The CGT proposes that the State legislate to authorize the



reintegration of SAS FRET into SNCF Voyageurs and the pooling of human and material resources between activities.

4. SERIOUS MEASURES TO REVIVE THE TRANSPORT OF SMALL LOTS ("ISOLATED WAGONS")

The rail transport of goods has 3 "products":

- The whole train, which mainly concerns large companies capable of generating sufficient volume to fill an entire train.
- The combined train, which relies on multimodality since it allows the transport on the train of full trucks (rail freeways) or only containers and swap bodies which will then be transferred to another means of transport.
- Subdivision (or "single cars"), which consists of collecting batches of cars from several shippers, assembling them in marshalling yards to form complete trains, then transporting them to other destination marshalling yards where they will be deconsolidated and delivered to the various consignees.

The "single wagonload" is the one with the most potential because it can be adapted to the needs of much smaller, and therefore much more numerous, companies.

But it is also the one that requires the most resources and is the most sensitive to the territory's network.

To reduce this network and eliminate local shunting teams, the SNCF has set up a new organization called Multi-Lots-Multi-Clients (MLMC), which consists in no longer collecting small batches of wagons but medium-sized coupons. This has reduced the number of user companies by the same amount.

The CGT proposes a massive effort to revive the subdivision, with the re-creation of a complete network of branch lines, freight stations and marshalling yards, and the deployment of local shunting teams.

The CGT also proposes that the SNCF recreate a serious sales force present in each territory to canvass new shippers, understand their needs and work with them to build suitable rail solutions.

As part of the phasing of development objectives, several stages of single wagon recovery must be implemented :

- First of all, the canvassing of companies connected by Branch Line Terminal Facilities (BLE) not currently in use. This is an important potential deposit. According to the CEREMA census, of the 2,800 ITEs still in existence, only 1,000 would be served. The remaining 1,800 could therefore allow the resumption of traffic in significant quantities, subject to rehabilitation.
- In a second phase, a broader research will be needed once the deployment of new BLE's has been completed.



- In terms of supply, the CGT proposes to abandon the MLMC (Multi-Lot-Multi-Customer) organization to pick up all car lots, including the smallest ones.

En matière d'offre, **la CGT propose d'abandonner l'organisation MLMC (Multi-Lots-Multi-Clients)** pour aller chercher tous les lots de wagons, y compris les plus petits.

5. TAKING TERRITORIES INTO ACCOUNT IN TRANSPORT-RELATED ARBITRATIONS

Rather than delegating responsibility for rail freight to the territories, without them having the capacity to develop it (they have neither the vision of the entire logistics chain in the national territory, nor the financial means to really support the public company), the State must integrate them into its political decisions.

Firstly, land-use planning should not just be a slogan.

The CGT proposes to define a rail transport access scheme that guarantees, for each department, proximity to a marshalling yard, to a combined transport terminal and to a FRET corridor.

This scheme should also integrate the establishment of rail services (equipment workshops, EIV, traction production units, administrative or telematic centers, etc.) to ensure a fair distribution of rail employment throughout the territory.

The public rail service is also a tool at the service of the economic development of the territories.

For example, with the implementation of the Freight Plans since 2003, the abandonment of services to wooden stations has been one of the most significant effects. This change has weakened the sector.

With a large forest area (17 million hectares), France could relocate the production of the paper and cardboard it consumes in order to relocate or develop employment in rural areas. Support for the revival of public rail transport of wood could be an element of this industrial strategy.

Let's not forget that if we ran out of flour in supermarkets during the pandemic, it was mainly due to the difficulty of supplying paper bags for packaging... Strategic industries are sometimes not what we think they are!

The CGT therefore proposes that the strategic industries targeted under the relocation policy should be subject to a rail service and regional planning section.

In 2000 in Corrèze, following the storm, a branch for a timber station was built on the Limoges-Ussel line (15.5 million francs) in order to be able to evacuate the timber by train. 2 loading tracks suitable for whole trains were built. This station is now closed when the forest of Haute-Corrèze is mature. Wooden stations existed on the whole line.



6. AN IMPETUS FROM THE PUBLIC AUTHORITIES TO CONNECT STRATEGIC INFRASTRUCTURES (MIN, PORTS, ETC.) WITH RAIL SOLUTIONS

The rail mode is very suitable for high-volume transport. It is therefore obvious that it must serve places where there is a massive flow of goods.

Markets of National Interest (MIN) concentrate a good part of the country's food imports and production, with 4.5 million tons in transit in the 19 MINs each year.

Rungis Market in particular handles 40% of Ile-de-France's consumption of fresh produce.

The last train operated to serve a MIN stopped running in 2019 between Perpignan and Rungis because its rolling stock was obsolete and the Auto-Couchette Trains, which represented the return traffic, were abandoned.

The city's commercial ports handled 351 million tons of traffic in 2017, including 268 million tons in the seven major national ports alone. They handled mostly liquid bulk (38%) and solid bulk (20%).

An ordinance of 2005 and the railway reform of 2014 have organized the transfer of the management of the railroads from the ports to the latter, but this has not produced any positive evolution for the volumes transported.

The management by the ports themselves of the terminal infrastructure, with the creation of micro-companies for shunting operations and formation of lots, is of no interest. On the contrary, this contributes to segmenting rail production operations, and thus to decreasing the overall efficiency of the system.

Ports do not suffer from a lack of control over the management of the last few kilometers of cargo or deliveries, they suffer from the lack of complete rail solutions for serving their hinterland, and for the origins/destinations of their customers.

The CGT proposes that an in-depth analysis of the flows operated by the 19 MINs and 7 GPNs, both between them and with French production or consumption areas, be carried out and make it possible to draw up a specific rail service plan.

The objective of setting up regular shuttles between these few mass transit points could make it possible to switch large volumes of goods to rail transport.

7. LA PARTICIPACIÓN DE LOS PRINCIPALES ESPECIALISTAS EN LOGÍSTICA EN LA REORIENTACIÓN MODAL DE SUS FLUJOS

The development of e-commerce and messaging should also lead to a change in public policy on transport.

The French spent more than 40.37 billion euros "online" to buy physical goods in 2019. This amount is up +5.9% (vs. 2018) or +2.25 billion additional euros, half of which was captured by AMAZON.

The major logisticians, such as e-commerce companies, mass distribution companies and the French Post Office, are already organizing the massification of their traffic between huge warehouses spread across the country.



Their weight in the transport economy and in the volumes of exchanges make them strategic tools for the reorientation of flows between the different modes of transport.

However, their choices are only guided by very short-term economic interests, which leads to a quasi-monopoly of the road mode even though some warehouses are close to the national rail network (example: AMAZON in Brétigny-sur-Orge).

The CGT proposes that the State assign these major logistics companies a role in the national effort for the environment, by imposing a minimum percentage of rail mode use corresponding to the objectives (25% in 2050, with intermediate stages).

A specific cooperation with the public company La Poste for an eco-responsible transport of mail and small parcels will have to be organized.

8. AN EXTENSION OF THE FIELD OF RELEVANCE OF RAILWAYS TO NEW CATEGORIES OF GOODS

Today, the rail mode carries out most of its activity with heavy goods vehicles (extraction products, metals, cereals), petroleum products, chemicals, cars and bottled water.

The wagons available are adapted to these transports but their design dates back several decades.

In order to massively develop the use of the train, it is necessary to move out of this specialized field.

In particular, it is necessary to invest in the segments of fresh produce, waste and palletized consumer goods transport.

The CGT proposes to launch a research and development program for the design of new types of wagons adapted to the constraints (temperature) or dimensions of the products and their handling.

Thought must also be given to the service points and infrastructures needed to link the producers and users of these goods.

9. A CHANGE IN SNCF RÉSEAU'S INDUSTRIAL STRATEGY IN INFRASTRUCTURE MANAGEMENT, SUPPORTED BY THE STATE

Several independent reports have shown that France has notoriously underinvested in the maintenance and regeneration of its rail network for decades.

Confronted with the deadlines for line closures, governments have become aware of the problem over the last ten years or so, but have opted for cost-saving policies so as not to be fully obliged to finance the work through public subsidies.

This has shifted responsibility for financing operations to SNCF Réseau, leading to a steady increase in its debt.



The Infrastructure Manager was also led to opt for industrial strategies that were more economical for him, but which weakened the network's capacity to use it.

For example, the massive increase in night work, which implies an interruption in traffic, is a handicap for the redevelopment of rail freight (as it is for night trains).

However, with very ambitious objectives for the development of rail freight, it is no longer possible to do without night train paths.

The CGT therefore proposes that SNCF Réseau change its industrial strategy and carry out maintenance and regeneration work with local teams, during the day, and without totally interrupting traffic over the long term.

This implies a financial commitment from the State through a real increase in its investment subsidy, both to pay what it owes and no longer place the Infrastructure Manager in a permanent situation of precariousness, and also to assume the additional cost of the new industrial works policy. This additional contribution would result in an intensification of the use of the network and would allow the development of the Rail Freight.

From the point of view of the consistency of the infrastructures, the major projects necessary to the Freight must be financed and carried out (bypassing railway nodes, electrification of certain lines...).

In addition, the capillary lines are threatened with closure even though they are heavily used by Rail Freight. The State must ensure the financing of their regeneration without balkanizing the network, and therefore without transferring their management to the Regional Councils.

In terms of dedicated infrastructure, only 4 gravity yards remain. An investment plan of 100 M€ over 5 years has been launched, but it focuses on only 20% of the tracks concerned, the rest being destined for abandonment.

37% of the ITEs are unusable and 40% are in poor condition.

In other words, the origins and destinations of freight trains are extremely limited by the infrastructure situation.

The freight transport network must therefore be completely rebuilt.

The CGT proposes that a specific investment plan for FREIGHT be drawn up in order to completely regenerate the yards, re-equip them with the devices needed for gravity sorting, and regenerate the service tracks and branch terminal facilities.

10. COMPLEMENTARITY WITH OTHER MODES OF TRANSPORT

The development of the rail mode cannot be envisaged without the other modes.

With the scale of the SNCF group, especially its subsidiary GEODIS, the complementarity between train and truck can be worked on.

However, today, the two entities operate independently, and even in competition with each other.



The CGT is proposing a change in governance so that Geodis can provide road solutions that complement the train, under the guidance of the SNCF.

Since the fastest interface is the transfer of containers and swap bodies from one mode of transport to the other, complementarity should be illustrated by the development of combined transport.

However, it is rather the opposite that is happening.

This is notably the result of the confinement of this product in a subsidiary of the SNCF group.

The CGT therefore proposes to re-internalize the combined transport subsidiaries in order to better integrate this "product" into the commercial approaches and logistics solutions built for shippers.

The CGT also proposes that a network of multimodal rail-road and rail-river platforms should mesh the territory more efficiently.

11. COORDINATION WITH THE INDUSTRIAL SECTOR TO DEVELOP FRENCH RAILWAY EXCELLENCE AND EMPLOYMENT

The railway industry has significant resources in France with research, engineering and production centers.

However, due to competition rules (which are largely bypassed elsewhere), relations between major industrial companies and the public railway company are limited to a customer-supplier relationship.

The cooperation that gave birth to the TGV could not take place in today's circumstances.

The purchase of "off-the-shelf" equipment cannot meet the needs.

There are many challenges related to rolling stock, especially in freight transport.

The CGT proposes the return of strong cooperation and the launch of shared research programs :

- The development of high speed for goods (200 km/h, and why not 300) ;
- The development of new equipment for urban logistics (freight tram-train, containers or swap bodies that can be subdivided to allow rapid transport by small trucks adapted to terminal services, mixed freight/passenger trains);
- Modernization of train shunting and tracking systems.

The CGT also considers that commitments from the State must be made to allow the redevelopment of a production line for towed equipment (freight of course, but also TET, night trains, etc.).



Finally, the industrial sectors of strategic production for the railway, which cannot be directly assumed by the EIV SNCF, must also be the subject of a specific recovery plan.

12. SOCIAL EXEMPLARITY BECAUSE THERE CAN BE NO QUALITY TRANSPORT WITHOUT QUALITY JOBS AND SOCIAL CONDITIONS.

In the rail sector, the control of endogenous (electrical risk, risk of rail collision, etc.) and exogenous (risk of collision with a road vehicle, etc.) risks is based on a set of procedures carried out by a sufficient number of trained personnel equipped with the appropriate equipment.

This risk control requires the identification of professions with precise contours, making it possible to identify the precise tasks and training to be implemented.

Risk management also depends on working hours that are adapted to the constraints and sufficient rest periods to recover the workforce and the capacity for analysis and concentration.

The CGT is proposing a resumption of negotiations for a National Collective Bargaining Agreement for a branch with genuine high-level rights.

This should include the definition of precise job outlines, a branch pay scale recognizing the qualifications of railway workers, a reduction in working hours to 32 hours per week and the extension of the special pension and provident scheme, medical care and SNCF Social Action benefits to all railway workers in the branch.

The integration of all personnel involved in the production of the train must be ensured in particular by completing the scope of the rail NCC with maintenance and handling personnel, station services, personnel carrying out infrastructure work, rail restoration and secondary networks and control systems.

Precarious employment contracts must be strictly limited and supervised, imposed part-time work must be banned, and a system of solidarity between railway companies must ensure job security for employees in the sector.

The CGT also proposes that the SNCF public company be given specific social responsibility. In particular, its recruitment needs must be covered by a hiring commitment attached to each apprenticeship contract and by a specific system for hiring young people without qualifications.

Finally, measures for equality between men and women must be reinforced, notably through new preventive measures deployed during promotion operations.

13. EUROPEAN AND EURASIAN INTERNATIONAL COOPERATION

Rail networks were developed to meet strictly national needs.

Today, the European Union is rethinking networks by promoting interoperability between states and defining major rail freight transport corridors on a continental scale.



The choice of unbridled competition between rail operators through total deregulation encourages underpricing of transportation and thus an economy that abuses the mobility of goods. This is not a sustainable model.

On the contrary, the CGT proposes, on the contrary, that cooperation between operators be built for international traffic, with the objective of ensuring modal shift on this scale as well.

Mechanisms for equipment exchanges (such as the International Wagon Regulation or RIV) must be strengthened.

Regulations must ensure strict control of the level of qualification of personnel making international journeys, and a systematic sharing of workloads between operators must be ensured.

A specific working group could be set up to consider the needs and logistics solutions that can be developed jointly on the London-Rome, London-Barcelona, Paris-Berlin-Warsaw, Madrid-Bucharest routes.

Furthermore, Eurasian cooperation should also be considered.

China's "New Silk Roads" project, which includes a rail component, aims to develop trade with the various countries of North Asia, the Middle East and Europe, in order to expand trade opportunities and stability in these regions.

Germany built its first train between Hamburg and Xiangtan in 2008. Ten years later, 3,600 trains have run on this route. DB has developed a specialized department to increase this activity. It is a strategy that is at the service of German industry.

France, on the other hand, has neither a clear strategy nor substantial resources in this area. Several trains have already been made between China and our country, and the SNCF has a freight forwarding subsidiary (Forwardis), but no particular effort is being made.

A reflection between the State, the public company and French industrialists wishing to develop their activity with China should be carried out. The Dourges and Vénissieux platforms could be developed along these lines.



Source : Hillman, J.E. (2018), "The Rise of China-Europe Railways", CSIS, March 6



THE REASONS FOR THE "IRON"! (IRON means also DO in french)

Developing rail freight transport is not just a matter of affinity. There are objective reasons for a rapid and massive modal shift to rail.

THE NEGATIVE EXTERNALITIES OF TRANSPORT AND THE ADVANTAGES OF RAIL TRANSPORT

A negative externality appears when the cost of a share for society (i.e., the social cost) is not fully assumed by the person who undertakes this action, the latter assuming only the private cost of his action, which he has actually spent.

The transport sector is characterized by four major types of negative externalities:

- Congestion, that is, the congestion on the roads that impedes the activity or movement of others;
- Accidentology, which provides insight into the risk of personal injury and property damage; mortality, injury, and sometimes disability caused by transport accidents;
- The environment, in particular water, soil and air pollution (which provides insight into the risk of illness related to pollution factors) and noise (which provides insight into the health and psychosocial risks related to noise pollution) ;
- External effects related to land use planning (loss or gain of attractiveness, space consumption and cut-off effects in urban areas, agglomeration effects).

The transport sector is one of the largest contributors to human-related pollution. In France, in 2018, it will account for 30% of the country's greenhouse gas emissions! This figure is rising. Action on transportation to improve air quality is therefore crucial.

Externalities have a significant human cost, in lost time in traffic jams, deaths and injuries due to accidents, respiratory pathologies due to pollution peaks, etc.

For example, 3,448 people died in a road accident in 2018, and 73,253 were injured (a third of whom were seriously injured). 14% involved a heavy goods vehicle (although they represent only 2% of the fleet) and 6% an LCV. Severity rates are twice as high for accidents involving only passenger vehicles.

This cost should not be viewed solely from an economic perspective. It must be prevented in order to minimize the impact.

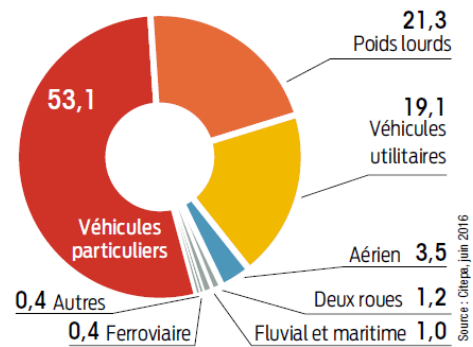
However, the externalities are not the same for all modes of transport.

Roads are 29 times more deadly than rail. u territorio (pérdida o ganancia de atractivo, consumo de espacio y efectos de corte en las zonas urbanas, efectos de aglomeración).



From an environmental standpoint, while trains (for passengers and freight) emit 0.4% of the transportation sector's greenhouse gases, heavy goods vehicles (freight only) emit 21.3%.

The transportation of one ton of goods by train pollutes 20 times less than by truck !



The best method of prevention is to shift traffic to the modes with the lowest externalities.

THE INERTIA OF THE MARKET TO THE BENEFIT OF THE ALL-ROADER: WE HAVE TO CHANGE THE MODEL!

In theory, the users of each mode of transport should pay their social cost, that is, the sum of their private cost (the costs they bear directly, such as fuel consumption) and their external costs (the costs they generate for the community, in terms of infrastructure use, environmental nuisance, medical expenses, etc.).

In practice, however, the various modes are largely exempt from paying their externalities, which are borne by the local authority:

Road congestion in France in 2013 = 17 billion (source: INRIX and Centre for Economics and Business Research). This cost is expected to rise to 22 billion euros in 2030.

44.1 billion (source: ONISR), of which 33.4 billion will be for personal injury accidents and their consequences.

Pollution is even more costly, since it impacts health, biodiversity, climate... In a system of "free" competition between modes, where the price of transport does not include these costs, this leads to favoring those modes whose externalities are the most important, and therefore the most harmful. There are liberal attempts to find solutions to the externalities, but this does not result in any concrete change.

For example, with respect to road congestion, research is being conducted to increase the carrying capacity of trucks so as to reduce their number. This only leads to shifting the nuisance since, for example, the degradation of the road surface will be increased by the weight of the truck.

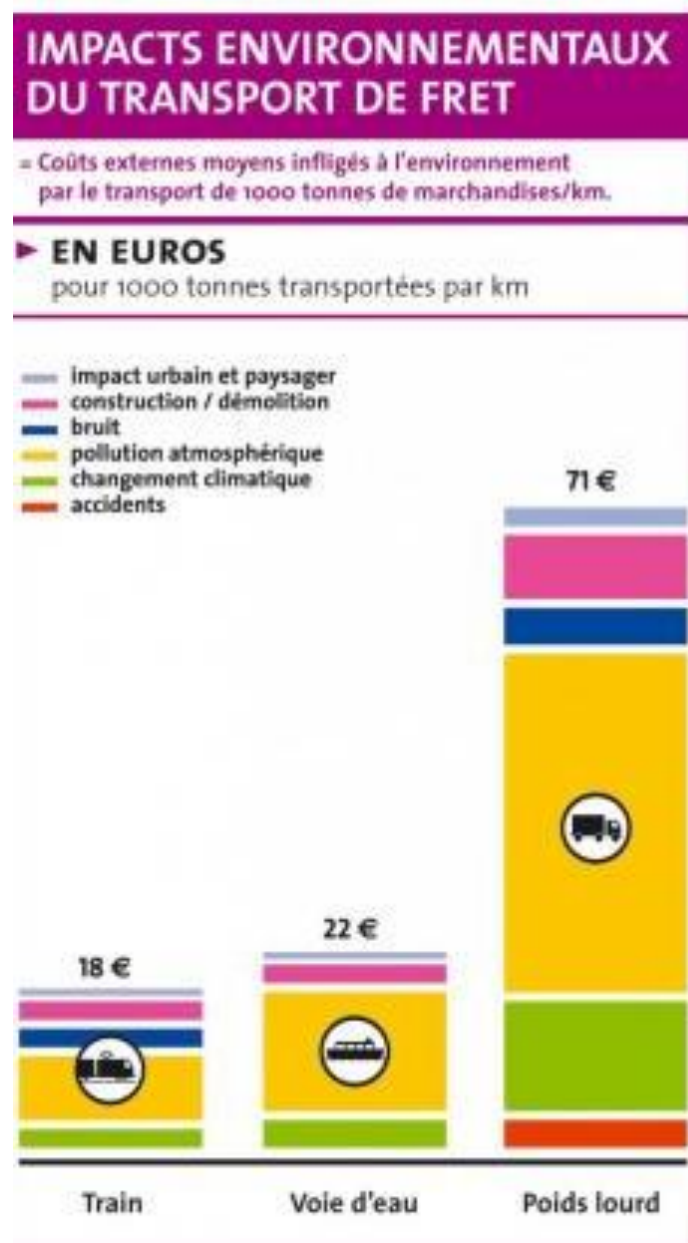
Similarly, "carbon markets" that aim to make CO2 emissions pay for themselves are very limited solutions, which are not enough. They are the subject of endless negotiations on the fair price of a ton of CO2 (and this price is very largely undervalued because of the relentless action of the lobbies). Moreover, these mechanisms lead to the development of so-called negative emission activities to finance the pollution of other activities. Finally, this amounts to organizing a "right to pollute" rather than a real transformation of production or transport tools.

This inefficiency can be seen in the balance sheets: over the last 30 years, the most polluting and accident-causing modes have seen their modal share increase. The road mode has become almost hegemonic.

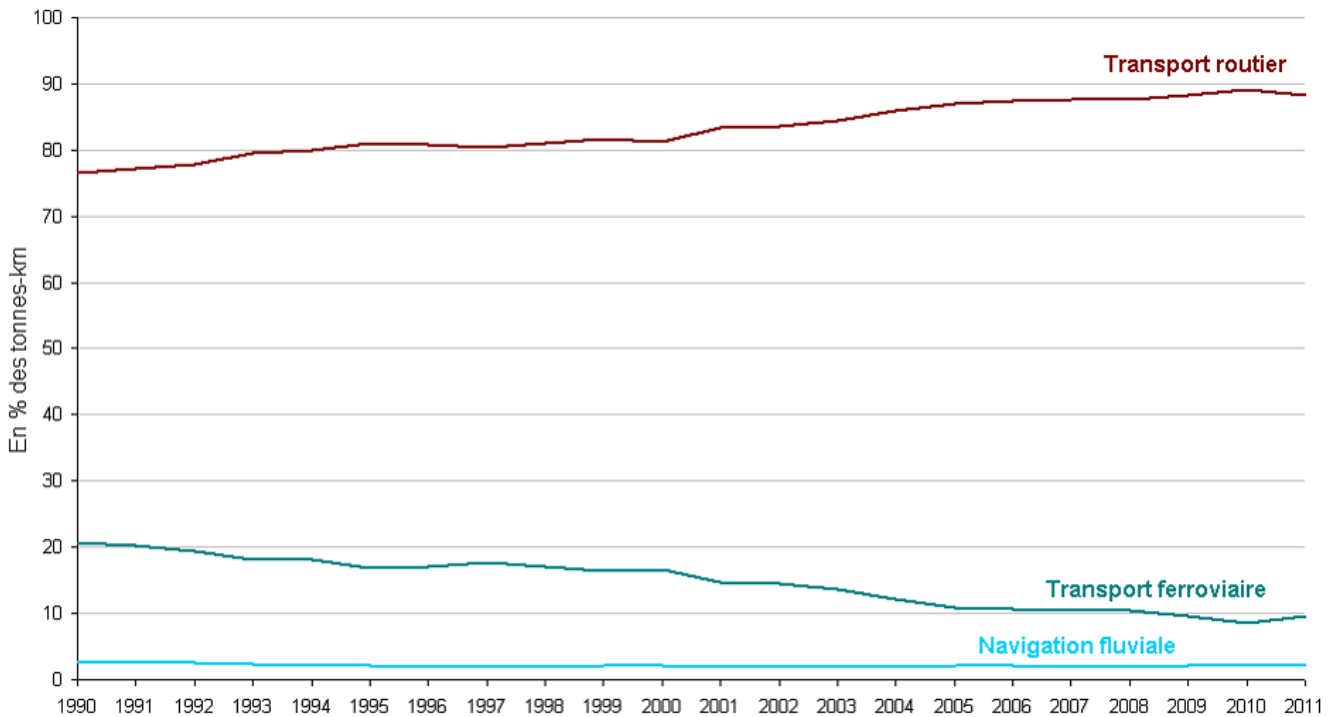


Inland freight transport ((in billions of tons.km, 2016 figures)

Road =	287,7	soit 88 %
Rail =	32,6	soit 10 %
Fluvial =	6,8	soit 2 %



Répartition modale des transports intérieurs terrestres de marchandises



Note : Transit inclus, oléoducs exclus.

Source : SOeS, d'après SOeS, Eurostat, VNF.

If the best prevention for the community is to develop the mode of transport that has the least negative impact and market mechanisms are unable to guide choices in this way, then political decisions and action are needed !

THE STAKES, THE URGENCY: THERE IS AN OBLIGATION OF RESULTS!

Externalities related to congestion, accidents and the environment are already very important. In particular, the IPCC report and other scientific works have shown the impact that greenhouse gas emissions could have on human life in the near future.

There is therefore already an urgent need for action.

And this urgency is reinforced by projections for the coming years. Without strong policy choices, freight transport needs will explode, volumes will be entirely captured by the road mode, and negative externalities will increase accordingly.

The Ministry of the Environment, Energy and the Sea's Department of Economics, Evaluation and Integration of Sustainable Development published a study in 2016 that envisages an 80% increase in the volume of goods transported in France between 2016 and 2050.



Cargo traffic and modal distribution (Source: "Long-term transport demand projections" report)

Mode	2012		2030		2050	
	Mds t. km	Part modale	Mds t. km	Part modale	Mds t. km	Part modale
Road	263,5	86,8 %	382,7	86,7 %	489,9	85,1 %
Rail	32,5	10,7 %	47,2	10,7 %	70,5	12,2 %
Fluvial	7,7	2,5 %	11,6	2,6 %	15,6	2,7 %
Total	303,7	100 %	441,5	100 %	576	100 %

The road mode is then expected to handle 489.9 billion tons.km in 2050, representing an 86% increase in volumes. That's just as many more heavy goods vehicles on the roads, and therefore additional negative externalities!

This is an unsustainable model.

To limit the growth of road transport, it is absolutely necessary to develop the other modes more massively.

OTRA RAZÓN PARA DESARROLLAR LOS FERROCARRILES: DEBEMOS DETENER EL DESPERDICIO!

Deregulation was initiated with the European directive of 1991, but was not really implemented until 2001 with the directive on opening freight and infrastructure management to competition.

Since then, market rules have gradually been imposed in the organization and management of the rail system, even though it remained largely under public ownership.

This development has had disastrous consequences in social, industrial and economic terms.

Over the 2001-2020 deregulation period, the number of staff dedicated to SNCF freight transport fell from 20,000 to 4,000, i.e. a reduction of 80% of the workforce!

Jobs created in private companies represent 2,600 units.

The net loss is therefore 13,400 jobs (to which should be added the reduction in equipment and infrastructure maintenance staff corresponding to the drop in FRET activity).

From a production point of view, rail transport of goods has gone from 50 billion tons.km transported to 33 billion today (of which 19 carried out by the SNCF and 14 by competing RUs, including SNCF subsidiaries=5).

The rationalization of traffic through direct profitability has not taken into account the network effect and the weight of fixed costs specific to the rail mode.

Result: rail freight is in an infernal spiral of decline that impacts its ability to maintain its industrial tool and does not allow it to restore a healthy financial situation.



The destruction of the production tool impacts the mode's ability to redevelop with a halving of freight stations, a reduction in the number of gravity yards (19 to 4), the number of combined terminals (45 to 27) and the number of branched terminal facilities providing direct service to shippers (4,500 to 1,800).

Fret SNCF continues to dispose of part of its fleet of engines. In the ranks of electric locomotives alone, 15 additional machines were written off in the first nine months of 2019. Some of these locomotives had not exceeded 24 years of service.

Obviously, this situation has a very negative impact on the railway equipment production industry.

From an economic point of view, the strategy of traffic skimming by Fret SNCF has strongly increased the activity deficit and its indebtedness.

The other railway companies are also in a worrying economic situation, leading in particular to a social plan at ECR in 2017.

SOCIAL DUMPING IS THE ONLY FUEL FOR COMPETITION: WE NEED TO CHANGE THE MODEL!

In order to maximize profits, management seeks to lower the living and working conditions of employees. It is in this sense that the means of transportation that are most open to social deregulation are favored, such as the use of foreign road flags.

Deregulation contributes to the employer's objective of increasing profits at the expense of the necessary training and safety levels. This is notably the case with the abolition of the requirement for a railway company to hold a safety certificate to operate a line or a license for a driver's agent.

Work is not a cost, as it is the only source of wealth creation. However, work has a price, and that price is wages.

Employers are pursuing the objective of lowering the price of labor in the rail industry, on the one hand by specializing staff in a single type of traffic, which enables them to reduce training, and on the other hand by developing the versatility of staff beyond their profession, which translates into a reduction in the level of technical skills, and therefore qualifications.

This reduction in the level of qualification, in addition to the consequences on the level of safety and the quality of production, leads to the non-recognition of qualification through salary, which is very partially compensated by elements of remuneration other than salary.

The specialization of personnel, however, leads to overall additional costs on the scale of the entire system by not allowing the equalization of human and material resources.

Night work, which is highly developed in rail freight transport, causes serious damage to health. It must be avoided as far as possible, and when it cannot be avoided, it must be limited and compensated in rest time to limit its harmful effects. Multi-activity makes it possible to distribute night work and thus its effects over a larger number of employees.



Specialization also hinders the career paths of railway workers by compartmentalizing them in a sealed manner in ersatz SMEs that are unsuitable for guaranteeing and developing the Public Service of passenger and goods rail transport.

To date, the promises made by employers and governments regarding a high level social framework have not been kept.

For example, the proposed minimum branch remuneration is far below the existing company agreements, so as not to improve the situation of all companies and to allow for significant dumping by possible new entrants.

Thus, while the company agreements provide for a hiring wage for a train driver of 26 581 € per year at Europorte, 27 326 € at SNCF and 28 000 € at ECR, the minimum hiring wage proposed by the employers on the scale of the branch is 22 575 €, that is to say a decrease of 15 to 20 % compared to the existing one!

The majority trade union organizations have therefore asserted their right to oppose the entire "classifications and remuneration" section of the rail NCC.

The Government must not replace the social partners by taking over the employer's proposal by decree.

Genuine negotiations for a high-level social framework must be relaunched, as requested by the trade unions.

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GLOSSARY

CCN :	Convention Collective Nationale
EF :	Entreprise Ferroviaire
EIV :	Etablissement Industriel Equipement Voie
GI :	Gestionnaire d'Infrastructure
GPN :	Grands Ports Nationaux
GTK :	Milliard de tonnes au kilomètre Unité de mesure utilisée dans le ferroviaire pour calculer le volume de marchandises transportées
ITE :	Installation Terminale Embranchée
MIN :	Marché d'Intérêt National
MLMC :	Multi-Lots-Multi-Clients
RIV :	Réglementation Internationale des Wagons
SAS :	Société par Actions Simplifiée
TICPE :	Taxe Intérieure de Consommation sur les Produits Énergétiques
VUL :	Véhicule Utilitaire Léger

