



JOINT STATEMENT

# Railway workers condemn EU attacks on rail freight

**In the middle of a climate crisis, where all efforts are needed to decarbonise our economies and transport system for future generations, the European Commission has decided to attack the existence of two of Europe's main rail freight companies and thousands of jobs – SNCF Fret and DB Cargo. The European Transport Workers' Federation, together with railway workers from Germany and France, are calling on the Commission to stop this counteractive approach and instead focus their efforts on developing a real strategy for promoting climate-friendly rail freight transport in Europe.**

On January 18, the European Commission launched an investigation into the French public rail freight company SNCF Fret. This investigation targets state aid granted to the public company between 2007 and 2019. This procedure aims to determine the existence of State aid and, if it is found, its compatibility with the rules. While the investigation is not yet closed, the French government has already announced a "discontinuity" scenario that would effectively dismantle the company.

Concretely, 'discontinuity' would mean the liquidation of the Fret SNCF Company, the elimination of over 500 jobs, the abandonment of 30% of the traffic and the impossibility of bidding on this traffic for 10 years, the transfer of locomotives to operators taking over Fret SNCF traffic and the division of Fret into 2 subsidiaries and the opening of their capital.

At the same time, DG Competition is also investigating DB Cargo in Germany for possibly receiving state aid. DB Cargo is by far the largest rail freight operator in Europe. Within Germany alone, it transports the equivalent of 42.000 trucks of goods on a daily basis. Trucks are thus kept off the road, meaning less congestion, safer roads and 4,2 Million tons less CO2 emissions. It is also one of the few companies in Europe that still offer single-wagon load transport, which is crucial if rail is to compete with road transport. The attacks on DB Cargo could threaten over 20.000 jobs in Germany and a further 10.000 at DB Cargo's international subsidiaries.

But the stakes are not only social. Dismantling these rail freight operators will be a massive setback for the effort to make freight transport more climate-friendly. SNCF Fret and DB Cargo are both key companies in European rail freight transport and are, therefore, systemically important, as they are responsible for over half of the rail freight transport in their respective countries. Both companies are also big players across Europe and in each other's countries. They are essential players in greening our freight transport.



In 2020 the EC announced their target of doubling the modal share of rail freight by 2050. But the European Commission's approach to rail freight seems to be nothing more than lip service and greenwashing. One only has to look at the development of the modal share of rail freight in the past decades to see that the policy of liberalisation has done more harm than good. Where in 1995, rail freight in the EU-27 still had a modal share of 15.6%, by 2010, this was down to 13%, and by 2020, it had further reduced to 11.5%.<sup>1</sup> The figures make it clear that until now, there has been no effective strategy at the European level to make rail freight transport competitive with road freight transport.

The European Commission's dogmatic belief in competition has now led it to attack two of the biggest rail freight companies in Europe. But what will happen? The lost traffic will no longer be transported by rail but by road, with the result that the EU's goals can no longer be achieved. In doing so, the Commission is undermining its own climate goals!

This decision reflects a paradox that threatens the existence of thousands of railways workers as well as future generations. Railways workers in both Germany and France call on policymakers not to undermine rail freight transport, a tool that is essential to the energy transition. Fragmenting our railways and forcing them into the artificial competition will never generate the long-term vision and investments needed for a real green transition.

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<sup>1</sup> EU transport in figures - Statistical pocketbook 2022