

Brussels, 19th October 2023

Dear Executive Vice-President Šefčovič,
Dear Commissioner Reynders,
Dear Commissioner Valean,

As you have probably experienced yourself or read in the news, the summer of 2023 was the hottest summer recorded up to date, according to Copernicus. And September 2023 unfortunately also broke record. Climate change is going faster than what the models predicted. Needless to say that the consequences are disastrous for many Europeans. Despite the seriousness of the situation, greenhouse gas emissions continue to increase in the transport sector: +7.2 % for the first quarter 2023, according to Eurostat. It is the biggest increase across all sectors analysed.

This is why it is crucial to successfully and rapidly achieve the ecological transition. Rail freight is one of the main pillars to decarbonise the transport sector. It emits nine times less CO₂ than road freight. In that sense, we fully endorse the objective of the Sustainable and Smart Mobility Strategy to double the share of rail freight by 2050. Nevertheless, we have serious concerns regarding the way that the Commission has chosen to achieve this objective.

Two in-depth investigations were launched for potential illegal state aids against the two main rail freight operators in Europe: DB Cargo and Fret SNCF. Though these investigations are still ongoing, they already pushed the German and the French governments to restructure the sector. In Germany 21 000 jobs are under threat – caused by the investigation, the economic situation, and a lack of national and supranational funding for rail freight transport. Even if the Fret SNCF investigation was launched later, the French government already announced the liquidation of the company, approximately 500 jobs (1 in 10 Fret SNCF workers) could be lost. In the past 20 years, Fret SNCF has already shrunk from 15 000 to 5 000 workers. The fact that the French government did not wait for the investigation to be completed is incomprehensible and puts workers under unnecessary pressure. In addition, the Commission consulted none of the German and French representative Trade Unions.

Those restructurations and liquidations run the risk of a modal shift from rail to road. In Germany, the restructuration of the single wagonloads sector alone could lead to 40 000 more heavy goods vehicles on the roads every day. In France, it is likely that Fret SNCF competitors will not be able to take over the 23 dedicated trains left behind by Fret SNCF (this represents about 20% of its turnover or 6 billion tkm). Some of the block trains will likely be taken over as they are easier to operate and more financially profitable. However, the single-wagon load traffic, which most directly competes with the road, is likely to disappear (or to be sub-contracted to Fret SNCF). Importantly, Fret SNCF's main competitor is DB Cargo. But if DB Cargo is currently cutting jobs (in addition to the 21 000 jobs in Germany, 11 000 jobs are under threat in DB Cargo's foreign subsidiaries in Europe), DB Cargo will certainly not be able to take over the flows. This would lead to more trucks on the roads.

To put it another way: the Commission creates uncertainty for a sector that needs planning and long-term vision. In doing so, the Commission could jeopardise the main European operators and put at risk the objective to transport goods by train instead of trucks. Rail freight is a sector that thrives on large volumes and economies of scale. Fragmenting the sector by forcing further privatization undermines

the objective to develop and expand rail freight. It is short-sighted to only focus the financial debts of a companies who are forced to compete with the road sector where social and environmental dumping are rampant. In France alone, the rail freight sector is estimated to have saved the French government €10 billion in negative externalities.

This is why, in order to provide rail operators with the means to achieve the objective of doubling the share of rail freight in 2050, we call you to put an end to those two investigations. In addition, in order to give certainty to the rail freight sector, we ask you to declare it as a service of general interest, allowing Member States to support this key sector for the ecological transition.

Sincerely,

Members of the European Parliament

Karima DELLI, chair of the TRAN committee, France
Leïla CHAIBI, member of the TRAN committee, France
Manon AUBRY, member of the ECON committee, France
Clare DALY, member of the TRAN committee, Ireland
Ozlem DEMIREL, member of the EMPL committee, Germany
Cornelia ERNST, member of the ITRE committee, Germany
Malte GALLÉE, member of the ENVI committee, Germany
Raphaël GLUCKSMANN, member of the AFET committee, France
Elena KOUNTOURA, member of the TRAN committee, Greece
Aurore LALUCQ, member of the ECON committee, France
Pierre LARROUTUROU, member of the EMPL committee, France
Nora MEBAREK, member of the TRAN committee, France
Marina MESURE, member of the ENVI committee, France
Younous OMARJEE, chair of the REGI committee, France
René REPASI, member of the IMCO committee, Germany
Martin SCHIRDEWAN, member of the ECON committee, Germany

Trade Unions

European Transport Workers' Federation (ETF)
EVG
CGT Cheminots
CFDT Cheminots
UNSA Ferroviaire
SUD Rail