

POSITION PAPER

**Three transport policy decisions that the EU
and the German government should take
in the European Year of Rail**

03.03.2021

1. EXPAND THE RAIL NETWORK ACROSS INTERNATIONAL BORDERS

Open border crossings for electric locomotives

Roads are publicly funded and accessible to all types of cars and trucks at border crossings between Member States. Rail connections are also financed by public funds, but are often so inadequately constructed that they cannot be used by all types of trains at the border. The environmentally friendly electric locomotives, in particular, are unable to proceed at many rail border crossings. In Germany for example, 30 of the 57 border crossings can only be used by diesel trains due to a lack of overhead lines.

Demand:

The EU must set up a funding programme for the electrification of rail border crossings.

Demand:

The EU must concentrate its funding for transport infrastructure projects predominantly on rail transport projects (including combined transport) so that the bottlenecks in rail network at border crossings can be eliminated.

Demand:

The German government should coordinate with neighbouring countries and upgrade all railway border crossings with an electric overhead line by 2030.

2. PROVIDE COMPETITIVE SUPPORT FOR INTERNATIONAL TRAIN ROUTES

Abolish VAT privileges for international air travel

In the EU, several countries charge VAT on international train tickets: Austria, Germany, Croatia, Belgium, Greece, the Netherlands, Spain and France. Airlines do not pay VAT on international tickets.

Demand:

International airline tickets should not be taxed more favourably than train tickets. The EU should only allow Member States to exempt international airline tickets from VAT if they also exempt cross-border train tickets from VAT.

Demand:

As long as cross-border airline tickets are exempt from VAT, the German government should not discriminate against rail customers and exempt international train tickets from VAT.

Remove national barriers for cross-border train journeys

Individual Member States, such as France or Italy, charge higher track access charges for cross-border passenger trains than for national passenger services.

Demand:

The EU must prevent Member States from creating price barriers for cross-border train journeys.

3. HARMONISE THE GREEN DEAL AND THE EUROPEAN YEAR OF RAIL

Make taxation on transport fuel fairer

International long-distance trains pay a tax on traction electricity in many Member States, while the airlines are exempt from aviation fuel tax throughout the EU. Germany levies the highest taxes on rail traction electricity in the EU.

The EU Commission has announced that it will revise the energy tax directive this year. This is a real test in the European Year of Rail.

Demand:

End the EU-wide tax exemption for aviation fuel.

Demand:

The German government should exempt the railways from the tax on traction electricity.

Create level playing field for emissions trading

Provided that rail transport does not already use electricity from renewable sources, the generation of traction current is 100 per cent included in chargeable emissions trading, whereas aviation fuel is only 20 per cent chargeable.

The EU has announced that it will revise the EU Emissions Trading Directive this year. This is a real test in the European Year of Rail.

Demand:

Include 100 percent of air traffic in the EU-wide chargeable emissions trading system.

End the toll disadvantage of rail compared to road

According to EU law, all Member States are obliged to charge a rail toll ("track access charges") on all train connections. This obligation does not apply to road transport, which is only optional for the EU Member States. In Germany for example, passenger traffic on the roads is completely toll-free and road freight transport outside the German Autobahn network is also toll-free.

Against the backdrop of the Corona pandemic, the EU has allowed Member States to temporarily set rail tolls to zero and replace the revenue shortfalls of infrastructure operators.

Demand:

Extend the exemption that allows national states to waive the rail charges completely until there is also an EU-wide system for tolls on road transport. If it is possible to act quickly and unbureaucratically during a pandemic, then this must also be possible for climate protection.

Demand:

The German government should make use of the pandemic exemption and waive track access charges on the railways.

Make transport prices fairer

Passenger and freight transport in the European Union cause external costs of almost one trillion euros per year. This is the conclusion reached by the EU Commission in a study from 2019. Road transport is the biggest cost generator with almost 83 percent, followed by maritime transport with 10 percent, air transport with 5 percent and rail transport with 2 percent.

Demand:

The EU must ensure more cost transparency in transport and provide the Member States with guidelines for the internalisation of external costs.