Speech for the DG – Action Plan for ERTMS Deployment

ERA ERTMS Conference

Speaking points

Dear Josef, Ladies and Gentlemen,

I am delighted to be speaking here at this important event on rail signalling and control.

In this speech, I want to highlight the high priority that rail has in EU transport policy and the opportunities and challenges for the sector in the coming years.

If you take away one message from my presentation today it should be this – rail needs to deliver and to show how it is delivering – for passengers, for the environment, for Europe – in order to help my Commissioner and myself make the case for continued EU support.

In a difficult budgetary environment we need all the ammunition you can provide us.

- Why is Rail a priority -

1 - **Decarbonizing** transport is a general priority, as we want to meet the Paris commitments on climate change. In order to decarbonize transport, it is clear that there has to be much more rail in the overall transport mix.

Rail transport allows us to save currently between 2/3 and 4/5 of greenhouse gas emission in comparison with road or air transport per ton / passengers transported – this is notably true for freight, but also high-speed on longer journeys is very efficient compared with all the other modes.

2 – Rail is crucial to deliver **efficiency across transport**: it is impossible to tackle **congestion** in densely populated areas and industrialised centres without railways**.** And long-distance rail transport is soaring in strategic importance world-wide, as witnessed by the enhancement of the Eurasian land corridors – China has clearly opted for boosting it with the "one belt one road" policy.

3 – Rail and its infrastructure is a very important **European asset** and must be a crucial part of the efficient, competitive and multimodal transport

network which we want to build. Rail offers a remarkable combination of safety, comfort and speed. And Europe has some of the world-leaders in the rail industry. We want to continue to use the strength of the sector in Europe as a base to sell worldwide.

4 – Looking to the future, there are huge opportunities for the **digitalisation** and automation of transport, and rail must absolutely keep up with the transformation happening in other transport modes. So far much attention has been devoted to self-driving cars. There is no reason why rail should not be part of this revolution too.

- Rail as cornerstone of EU Transport policy –

So rail as a mode has many strengths and opportunities in the future, it also has significant added-value in contributing to EU environmental and energy policies, to the internal market, and EU mobility.

The Commission set out clear and ambitious objectives for low emission mobility, in which rail plays an important role.

And we set precise common, interoperable standards, as well a geographical basis (TEN-T) and deadlines to achieve them.

-We put money where our mouth is-

Based on these ambitions we have invested considerable sums in rail. Since 2014 - over EUR 15.7 billion of Connecting Europe Facility funds - 73% of the total budget allocation.

The sector has also benefitted from EU support from the structural funds, the European Investment Bank and the European Fund for Strategic Investments.

And the recent CEF blending call had a high oversubscription for rail and ERTMS projects.

- The need for reform to ensure future support-

But how is the sector performing in front of these ambitions?

In the EU overall, rail freight market share is decreasing. But the past 20 years have seen an increased rail passenger transport volume, more marked than private cars – in spite of massive investments in road infrastructure and an increased motorization in several countries!

Still, rail modal share for passengers has been around 7.5 % last 5 years, although with marked differences in the performance of individual Member States.

If we look at these cases they are quite telling: real success stories, such as Sweden, Italy, Czech Republic, Austria and the UK, are countries which have embraced **competition** at an early stage - and have seen modal shift, passenger numbers and quality services sharply increasing.

So we know rail can compete effectively with other transport modes. But we need to recognize that this hasn't happened yet to a sufficient extent.

But this is not yet a Single European Rail Area.

To do this requires overcoming **technical-administrative barriers** to integration (between railway networks, between actors of the systems, and, ultimately, between modes) and requires substantial innovation to be brought into the system.

I do not underestimate the complexity of moving from national systems to a more unified European system. The long history of rail, and the technical requirements developed on a Member State by Member State basis mean this is a herculean challenge.

And I am grateful for the efforts of Josef and ERA to support this change.

But let me be clear – **continued EU support can only be justified on the basis of a rail network that is interoperable, underpinning the single market and the mobility within Europe**.

This is the reason why we are now **setting the conditions to re-organise markets and making the right investment choices, for infrastructure and technologies**.

If the sector embraces the chances, there are major opportunities for the sector and the EU industry in the global context.

I want rail to embrace this opportunity in order to compete successfully with other modes, rather than ring-fence "their territory" and miss out on global developments.

- EU supporting the change in the technological paradigm for Rail -

Turning to the technological elements, the two cornerstones of technical innovation are **ERTMS** – a key requisite for interoperability, and

digitalisation of railways. Both are key to enhance the performance and reliability of railways, as well as to integrate railways in the logistic chain for freight, and passengers to enjoy a multimodal experience.

- ERTMS –

For ERTMS, we are now at a crucial moment, following several years of effort, planning and policy development.

The **Fourth Railway Package** is coming into force, and **ERA** will play a pivotal role as system authority: to authorize vehicles, to approve track-side installations, to deliver safety certificates for railway undertaking to operate EU-wide. This will simplify the hurdle of over 11 000 national rules that make EU rail so complex, and which hinder interoperability.

We now have a functionally complete and **stable specification** on ERTMS with **Baseline 3, leveraging** on the experience gathered so far and including the new functions requested by the market, but also creating a system to allow adding future functionalities – including GPRS – while preserving compatibility.

The ERTMS **European Deployment Plan** sets clear targets until 2023d for deploying ERTMS along the TEN-T Corridors.

These major steps are necessary but not sufficient for ERTMS to underpin a truly interoperable network.

The recent Court of Auditors report highlights the nature of the challenge. Deployment is too slow and costs are too high.

That is why I believe it is crucial for the Commission and ERA, in partnership with all stakeholders to work together cooperatively, to commit to deployment that is truly interoperable.

The **2016 ERTMS Memorandum of Understanding a**nd building on that, **the Action Plan**, now tabled by the Commission, define the measures, timing, roles and responsibilities for a harmonised, efficient and effective ERTMS deployment.

The Action Plan has been consulted on, and the detail will be presented later but I want to set out the 5 broad principles now=

1. ERTMS trackside installations should be interoperable and compliant, meaning that Baseline 3 equipped trains can run on them.

2. The On Board Unit needs to become a more standardized and commoditized product – to drive costs down.

3. More efficient testing and validation processes should be put in place to give better time and costs certainty in deployment.

4. ERTMS has to be maintained in a reliable and consistent manner – avoid "islands" of frozen specifications.

5. And the necessary support should be provided at European and Member State level to address genuine investment bottlenecks to accelerate deployment.

We need all these elements to make **ERTMS a successful EU industrial project:** the ambition underpinning the plan is to head toward a Single European Rail Area where European Trains will run on a European infrastructure.

This vision shall go together with an increasingly competitive EU rail industry.

We are at a critical moment for ERMTS deployment – we should seize it.

And I want to emphasise that I will be paying close attention to the delivery of ERTMS, in particular against the European Deployment Plan targets.

The ERTMS team in DG MOVE will have **KPIs** and I look forward to sharing the **progress** with you in the coming years.

- Digitalisation-

Now looking further to the future, digitalisation is at the same time both a major opportunity and a challenge for railways:

Rail needs other modes to ensure door-to-door services – and digitalisation is a crucial tool to integrate information and administrative flows thus optimising modal integration

Developments are happening faster and faster – rail needs to be in it from the beginning for tools such as **e-freight** / single logistic windows, that are by nature multimodal

These elements will be at the core of our attention in 2018 - the **year of multimodality** – and only last week a Digital Transport Forum took place in Tallinn (in cooperation with the Estonian Presidency).

Digital applications within the rail system will show rail tangible benefits: a reliable **Expected Time of Arrival** available for all – up to terminals - will make railways more attractive for logistics operators. **Journey planners and ticketing**, fully exploiting telematics application will increase rail attractiveness for passengers.

I also expect ICT to reduce railways' maintenance costs and enhance energy efficiency, real-time monitoring will allow predictive maintenance.

Last but not least, we are engaged in stirring the development of **Automated Train Operation**.

On the challenges side, we see that digitalisation implies ever stronger integration with the telecom systems, and we must act together now to define a proper new IT standard for rail in the future.

Last but not least, an ever more digital transport calls for enhanced cybersecurity – we have to find EU-wide solutions for a EU-wide network.

- S2R–

To meet the future challenges, the Shift2Rail Joint Undertaking is a strong partnership– a way to keep the European competitive advantage in the sector.

We count on the sector to deliver timely the game changers foreseen by Shift2Rail[1] for an ever more performing European signalling System:

- that increases the capacity of the infrastructure, speed and reliability,
- a new communication system, secure and with enhanced capacity,
- a single system integrating signalling and traffic management,

o that will eventually allow automated train to run on the infrastructure!

These are our plans, but the time to deliver is now.

So let me wish you a fruitful second day of this conference to debate the ERTMS Action plan and future developments, confronted vis-à-vis Member States and sector perspective.